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ANNUAL REFUGEE CONSULTATION FOR 1985

HEARING

BEFORE THE

SUBCOMMITTEE ON IMMIGRATION AND REFUGEE POLICY

OF THE

COMMITTEE ON THE JUDICIARY UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

SECOND SESSION

ON

CONSULTATION BETWEEN THE EXECUTIVE BRANCH AND THE JUDICIARY COMMITTEES OF THE CONGRESS TO CONSIDER THE ADMINISTRATION'S PROPOSALS FOR REFUGEE ADMISSIONS TO THE UNITED STATES IN 1985

SEPTEMBER 11, 1984

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ANNUAL REFUGEE CONSULTATION FOR 1985

TUESDAY, SEPTEMBER 11, 1984

U.S. SENATE,
SUBCOMMITTEE ON IMMIGRATION AND REFUGEE POLICY,
COMMITTEE ON THE JUDICIARY,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:17 a.m., in room SD-124, Dirksen Senate Office Building, Hon. Alan K. Simpson (chairman of the subcommittee) presiding.

Present: Senator Grassley.

Staff present: Richard W. Day, chief counsel; Jerry Tinker, minority counsel; Elizabeth Greenwood, counsel; Ally Milder, counsel; Arthur Briskman, counsel; John Ratigan, counsel; Tina Jones, research assistant; and Carl Hampe, staff assistant.

OPENING STATEMENT OF HON. ALAN K. SIMPSON, A U.S. SENATOR FROM THE STATE OF WYOMING, CHAIRMAN, SUBCOMMITTEE ON IMMIGRATION AND REFUGE POLICY

Senator SIMPSON. Mr. Secretary, a very warm welcome to you, sir. I know you have rearranged your schedule to make this effort. So, today, we go forward with the sixth formal consultation on the U.S. refugee programs, required under the terms of the Refugee Act of 1980. I have participated in each one of those discussions and consultations, and I very much look forward to this one today on refugee admissions for fiscal year 1985.

It is a real pleasure to have you with us, as I say, and to have you share your views with us. In my first year here, Cyrus Vance was the first Secretary of State to testify, and then subsequently William French Smith and his immediate Attorney General predecessors presented the administration's proposal at the last four consultations.

I think your presence indeed indicates your great interest in an issue that commands nearly one-fifth of the budget of the Department of State—nearly $300 million. Certainly, America can be surely proud of its humanitarian heritage. No other nation has responded more generously to the needs of refugees from all parts of this planet---none.

And yet we are not alone. Asian, African, and European Nations have provided first asylum to millions of refugees in this past year, and countries such as our friends in Canada, Australia, and France have joined with us in internationalizing the resettlement effort.

The witnesses we will hear today will testify to the world refugee situation and how this administration proposes to address our responsibility for assisting and resettling these refugees. And we

really look forward to a discussion of the proposed admissions numbers for fiscal year 1985, how they were arrived at, and the proposals for humanitarian assistance to refugees still in the countries of first asylum.

I guess I do not know what legislative gods visited upon me the chairmanship of Immigration and Refugee Policy, Nuclear Regulation, and Veterans' Affairs, but there is a curse out there somewhere.

And, of course, here our difficulty comes from the inability of our own countrymen to sort out the differences among a refugee, the most needing our compassion and care, and an economic migrant, an extended voluntary departee, an asylee, a special entrant, a parolee, or an illegal undocumented worker. That makes it tough and it makes the job tougher.

And there are those who purposefully confound the issue, and so it is. Well, enough of that.

We have a statement from Senator Kennedy which we will insert in the record at this point.

[The prepared statement of Senator Kennedy follows:]

PREPARED STATEMENT OF HON. EDWARD M. KENNEDY, A U.S. SENATOR FROM THE STATE OF MASSACHUSETTS

Mr. chairman, I am pleased to join you today welcoming Secretary Shultz to today's important hearing on the admission of refugees to the United States during the coming fiscal year.

At the outset, I want to commend the President for proposing once again a generous refugee program—a program which continues one of our Nation's proudest traditions of welcoming the homeless and assisting the needy.

This hearing is important in order to give public expression to the refugee problems we face, and to generate public support for our country's response.

As I noted at the very first hearing to be held under the terms of the Refugee Act in 1980—at which then Secretary of State Cyrus Vance testified—these annual hearings are far more than mere formalities required by law. They represent the partnership that must exist between the executive branch and Congress if our country is to be able to respond to the urgent resettlement needs of thousands of refugees for whom we feel we have a special humanitarian concern.

Then as now, refugee problems are of deep concern to the American people, not only because of our long and proud humanitarian record in assisting them—but also because refugees pose critical foreign policy problems for us and the international community. We know from recent history that massive refugee movements can unbalance peace and stability as much as any arms race or political or military confrontation.

We see this today in Southeast Asia, where a human tide has fled conflict in Kampuchea and persecution in Vietnam, creating political and military problems for Thailand and neighboring countries.

We see it in Pakistan where over three million Afghan refugees seek safe-haven.

And we see it in scores of countries in Africa, where millions of refugees are in need of assistance.

Obviously, the agenda before us remains large. The world's refugee problems are difficult and complex. We face life-and-death situations among tens of millions of homeless men, women and children. If massive human tragedies are to be avoided, the American people and others in the international community must continue to do all that is possible to deal with the continuing flows of refugees.

So I welcome the Administration's renewed commitment today to sustain our refugee program at approximately this year's level, and I took forward to working with you, Mr. Chairman, in a bipartisan effort to deal with a humanitarian issue that remains of critical concern to the American people.

Senator SIMPSON. So, Mr. Secretary, if you will please address the issue today, we are greatly appreciative and I thank you.

STATEMENT OF GEORGE P. SHULTZ, SECRETARY OF STATE, ACCOMPANIED BY ROBERT FUNSETH, SENIOR DEPUTY ASSISTANT SECRETARY, BUREAU OF REFUGEE POLICY, AND ELLIOTT ABRAMS, ASSISTANT SECRETARY OF STATE FOR HUMAN RIGHTS AND HUMANITARIAN AFFAIRS

Secretary SHULTZ. Thank you, Mr. Chairman. Your going through your various committee assignments and wondering how you got them reminds me of my early days in the Cabinet when I was Secretary of Labor.

I had, early on, undertaken the job of rearranging the Job Corps drastically, and that was quite controversial. Then, for a reason nobody could figure out, I suddenly wound up being chairman of a task force on oil import controls, which was kind of controversial.

And I got a letter the next day from Edward Levy, who was President of the University of Chicago, from which I was on leave, and the letter was one of Edward's typical one liners. He said, now, with the Oil Import Program and the Job Corps revision, would you please tell me what you would like to teach next fall? [Laughter.]

Well, Mr. Chairman, thank you for the invitation to testify on the President's 1985 refugee admissions proposals. I have a full statement that, with your permission, I would like to insert into the record and deliver to you orally a somewhat cutdown version of it.

Senator SIMPSON. Without objection, so ordered.

Secretary SHULTZ. Thank you, sir.

Congress has in the Refugee Act of 1980 stated that the U.S. Resettlement Program is intended for refugees of special humanitarian concern to the United States, in accordance with a determination made by the President after appropriate consultation.

Mr. Chairman, after most careful study and reflection, the President proposes a regional refugee admissions ceiling of 70,000 for fiscal year 1985, a small reduction from the fiscal 1984 level. Within this overall ceiling of 70,000, the President is proposing a new, separate ceiling for admissions under the United Nations High Commissioner for Refugees' Orderly Departure Program from Vietnam and some adjustments in geographic ceilings.

I am here representing the President to consult with the Congress about our proposed 1985 Admissions Program. We are here today not only to present this proposal for your consideration, but also to answer your questions and receive your views. We hope the 1985 Admissions Program will receive the same broad bipartisan support that it has enjoyed in past years. The proposed admissions ceilings for fiscal year 1985 are: 50,000 for East Asia, including 10,000 for a separate Orderly Departure Program in Vietnam; 9,000 for Eastern Europe and the Soviet Union; 5,000 for the Near East and South Asia; 3,000 for Africa; 3,000 for Latin America and the Caribbean, for a total of 70,000 worldwide.

In addition, the President is announcing two new initiatives aimed at resolving pressing refugee problems in Southeast Asia. First, the United States will accept all Asian-American children and their qualifying family members presently in Vietnam, hopefully over the next 3 years. Because of their undisputed ties to our

country, these children and family members are of particular humanitarian concern to the United States.

Second, the United States is proposing a distinct program within the UNHCR's Orderly Departure Program from Vietnam for the resettlement of political prisoners currently and previously confined in the reeducation camp prisons in Vietnam and their qualifying family members.

Various spokesmen for the Communist regime in Vietnam have claimed they would be willing to release all of these political prisoners for resettlement. But despite 2 years of efforts to arrange for their departure under the UNHCR's Orderly Departure Program, the Vietnamese have only released for resettlement a handful of these persecuted people. This initiative has as its goal the departure from Vietnam of these persons for resettlement in the United States over the next 2 years. These current and former political prisoners are of particular humanitarian concern to the United States.

Success in both of these initiatives will require the goodwill and cooperation of the Vietnamese Government. We hope the Vietnamese now will respond to this new appeal.

Mr. Chairman, there are nearly 8 million refugees in the world today. In response to this tragic situation, the United States and the international community actively seek durable solutions. In order of preference, these solutions are (1) voluntary repatriation to the refugees' homelands, (2) permanent resettlement in the countries of first asylum, and or (3) resettlement in third countries, including the United States.

International refugee assistance programs, for which the United States provides about 30 percent of the funding, help provide basic care and maintenance for the refugees until one of these solutions can be achieved.

We believe that our proposed Admissions Program for 1985, coupled with the expected admissions programs of the other resettlement countries, should meet the requirements for resettlement in the coming year. We will continue to work closely with the U.N. High Commissioner for Refugees and with other countries to ensure that the responsibility for resettlement is shared equitably. This international resettlement effort, along with the planned contributions by the United States and other donor countries for refugee relief abroad, should hopefully meet the basic needs of the world's refugee population.

Mr. Chairman, my statement for the record includes an impressive list of accomplishments achieved by the U.S. Refugee Program over the last 10 years, and that is deliberately in there since I think it is important, as we look to what we should try to do in the future, to recognize that all of our efforts and the money we have spent have accomplished a lot. There are genuine achievements.

And also I think that the United States should not be hesitant to say what it has done. That is in the statement that you have for your record. But rather than dwell on these accomplishments here, I will address at this time some of the urgent tasks before us.

I would like now to discuss in detail our proposal for a new, separate ceiling for admissions under the UNHCR Orderly Departure Program. In early 1984, the number of ODP departures from Viet-

nam for the United States exceeded 1,000 per month for the first time since the program began.

Total departures for the United States and other resettlement countries have reached an average of 2,200 per month, and in fiscal year 1984 ODP departures to all countries will exceed the number of boat arrivals for the first time. Despite continuing problems, the UNHCR Orderly Departure Program is working and is increasingly becoming an alternative to hazardous boat escape from Vietnam.

The reason the President is proposing the establishment of a separate Orderly Departure Program ceiling for fiscal 1985 is to ensure that a growing ODP is not perceived as reducing the number of refugees admitted to the United States from first asylum countries. As you know, there is a great deal of attention, particularly in that part of the world, about the large numbers of refugees.

We estimate that this ceiling of 10,000 would permit the departure from Vietnam of some 18,000 refugees and immigrants in fiscal 1985, some 7,000 of whom would enter the United States as refugees in fiscal 1986 following completion of language training and cultural orientation at the Philippine Refugee Processing Center in Bataan.

At UNHCR-sponsored meetings in Geneva in October 1982 and October 1983, we urged the Vietnamese to permit an expansion of the Orderly Departure Program. We expect to meet, under UNHCR auspices, with the Vietnamese in Geneva again this October, and will present to them at that time our revised plans for the future expansion of the Orderly Departure Program.

Our revised plans include, first, a basic restructuring of the U.S. program. Rather than having one ODP Program into which we combine all groups of particular concern to the United States, we would propose to divide ODP into three separate subprograms, and to measure mutual performance against specified processing levels and guidelines for each program.

These three subprograms would be: First, the Regular Program for spouses and children of American citizens, ex-U.S. Government employees, and ethnic minorities of special humanitarian concern; second, the Asian-American Program for Asian-American children and close family members included in the same household as the child; and, third, the Political Prisoner Program for current and former political prisoners and specified family members.

For the Regular Program, we would plan to process and move from Vietnam up to 10,000 persons, refugees and immigrants, during 1985. Within the 10,000 level, we would inform the Vietnamese that we expect them to grant exit visas to a much greater proportion of persons from our special priority lists.

For the other two programs, I have already described the specific new initiatives designed to prompt the processing and movement of these much abused populations. We would set processing and movement levels for these programs sufficient to launch and maintain steady movements for each group during 1985.

Mr. Chairman, I now turn to the proposed admissions ceilings for the geographic regions of the world. East Asia: To lessen the Indochinese refugee burden on Thailand, Malaysia, Indonesia, the Phil-

ippines and Hong Kong, the United Stated has maintained a relatively high rate of resettlement from the region.

We believe that admission of 40,000 refugees in fiscal 1985 is our fair share—a level equal to the number of refugees we expect will be admitted by the rest of the refugee resettlement countries combined. This should encourage other resettlement nations to continue to participate in resettlement from Southeast Asia.

Processing by Immigration and Naturalization Service officers has been smooth and efficient during fiscal 1984, thanks in part to improved case work by the voluntary agency representatives in the field and to the effect of the revised INS refugee processing guidelines issued in August 1983.

We should not lose sight of the fact that it is Hanoi's oppressive policies toward its own people and its military occupation of its neighbors that must cease before there can be a lasting solution to the Indochinese refugee crisis. It is these policies which are the root causes of the continuing exodus of refugees and the unwillingness of the people who fled Vietnam, Kampuchea, and Laos to return to their homes.

I turn now to the Soviet Union and Eastern Europe. Despite its international obligation under the Helsinki accords to allow freer immigration, the Soviet Union continues to prevent Jews and other persecuted minorities from leaving.

We have urged the Soviets to honor their agreement and to issue exit permits to those who wish to leave, and I intend to make this point with Foreign Minister Gromyko when I meet with him at the United Nations.

The severe Soviet restriction on Jewish and other immigration regrettably reduces the need again this year for proposing a large refugee admissions ceiling for Eastern Europe and the Soviet Union.

On the other hand, we want to maintain a sufficiently high ceiling to accommodate the normal outflow of refugees from the countries of Eastern Europe. We estimate that a ceiling of 9,000 admissions should be adequate for this purpose.

Near East and South Asia: The Near East and South Asia region has several major refugee-producing situations, particularly in Afghanistan and Iran. In most cases, the refugees coming from this area are able to find continuing asylum in the region.

We estimate that a refugee admissions ceiling of 5,000 will be sufficient to provide for those persons requiring resettlement who are of special concern to the United States, especially persecuted Iranian religious minorities such as the Bahai's and persons from Afghanistan whose positions in former Afghan governments or association with the United States make them particular targets of persecution.

Turning to Africa, the generous hospitality of African countries of first asylum and some limited possibilities for voluntary repatriation have mitigated the need for any significant resettlement outside of Africa. However, there remains a relatively small number of African refugees for whom asylum or integration in the region is not feasible. We are proposing a ceiling of 3,000 for Africa to accommodate these special cases.

Finally, we are requesting 3,000 admissions for potential refugees from Latin America and the Caribbean who might require resettlement in the United States. This is an increase of 2,000 over fiscal 1984 and should be adequate to permit the admission of refugees for whom resettlement in the United States is the most appropriate option.

I will now discuss briefly English language training and medical programs for refugees. Mr. Chairman, we have dedicated significant time, money, and effort to developing programs to help refugees prepare for their new lives in America.

For example, in 1985 we anticipate further improvements in both the English-as-a-second language and cultural orientation programs and in the medical screening program. The Department of State is concerned with the quality of refugees' preparation for life in the United States and the thoroughness with which medical problems are detected and treated. These programs have a direct impact on the success and cost of refugee resettlement in the United States, and I believe the Japanese have made some very substantial contributions in this effort.

Once refugees arrive in our country, there begins the important task of helping them become self-sufficient. During the reauthorization deliberations for the Refugee Act, it became abundantly clear that the Congress desires a strengthened role for the private sector in assisting refugees to start to build productive, self-sufficient futures in their new country. The administration concurs wholeheartedly with this goal.

While the proposed admission of refugees in fiscal year 1985 is the focus of this hearing, it represents only one part of the U.S. refugee policies and programs and approximately one-third of the $335 million of the 1984 refugee budget. About two-thirds of that budget, $227 million, is the U.S. contribution to international assistance for the world's estimated 8 million refugees.

Most U.S. assistance is channeled through international organizations. As in past years, the United States will contribute about 30 percent of the total budget of the U.N. High Commissioner for Refugees. Other contributions will be made to the International Committee of the Red Cross, the Intergovernmental Committee for Migration, the U.N. Relief and Works Agency for Palestinian Refugees, and the U.N. Border Relief Operation in Southeast Asia.

We were very pleased that the UNHCR-Thai Government antipiracy program was renewed for another year in June. We will continue to support all efforts to eliminate pirate attacks, and to ensure that the unfortunate victims of these attacks receive necessary counseling and improved medical care.

As in past years, we will provide assistance to the nearly 3 million Afghan refugees who have been generously given asylum by Pakistan for almost 5 years. In the Near East, the United States will continue to fund about 25 percent of the budget of the U.N. Relief and Works Agency for Palestinian refugees which provides education and health services to 2 million refugees.

President Reagan's proclamation of this past July 9 as African Refugees Relief Day symbolized a continuing commitment by the United States to assist the over 2 million refugees in Africa.

The recent Second International Conference on Assistance to Refugees in Africa set new goals for helping refugees in Africa to achieve self-sufficiency and for assisting African first asylum countries. The U.S. delegation to the conference, led by Attorney General Smith, strongly supported these goals.

Our refugee programs in Central America support our overall objective of strengthening the forces of moderation against extremism of both the left and the right. Our assistance for El Salvador's displaced persons helps those who have fled guerrilla-infested villages for areas more firmly under Government control, thereby strengthening President Duarte's government.

Our assistance for Nicaraguan refugees in Honduras and Costa Rica keeps the flame of freedom alive for people like the Miskito Indians who have fled Marxist repression. Our assistance also benefits individuals who are potential victims of rightwing violence or who are simply fleeing the depredations of vicious guerrilla conflicts.

By maintaining our first asylum policy and supporting refugee centers located in Central America, we also ease the pressure of more massive illegal immigration to the United States.

The U.S. refugee program has enjoyed broad bipartisan support over the years, and under the leadership of President Reagan I can assure you that it will continue to be given high priority within the administration.

We are indebted to the great work of many dedicated Senators and Congressmen. I would like to salute in particular the leadership of the House Judiciary Committee by Chairman Rodino and the distinguished work in the Subcommittee on Immigration, Refugees and International Law by Chairman Mazzoli and Congressmen Fish, Lungren, and McCollum. The efforts there have done much to advance the cause of enlightened refugee policy in the United States.

In the Senate, I would like to express my gratitude and deep respect to you, Mr. Chairman, Senator Kennedy, and Chairman Thurmond for your work in the field of refugee affairs.

I know there are many other Members of both Houses who have devoted their time and energy to the delicate and difficult task of refugee admissions and assistance, but I think it is fitting that the gentlemen I have mentioned are singled out for special praise.

On behalf of the President, I urge the Congress to continue its strong support for the refugee program and to assist in providing the budgetary and admissions resources which will be required to carry it out.

We believe the 1985 admissions program we are discussing today and the 1986 program which is currently being developed within the administration will be sufficient to meet anticipated refugee needs and to launch the initiatives I have discussed earlier.

In order that the Congress and the administration may continue to work jointly on the refugee program, we would be prepared at midyear to meet with the relevant committees of both Houses to review our progress, particularly with regard to the initiatives with the Vietnamese.

We can all take justifiable pride that the United States is recognized throughout the world for its leadership in humanitarian as-

sistance to and protection of refugees. We have given much to help the refugees of the world, but we have also benefited from the talents and hard work of the many refugees who have accepted for resettlement in the United States.

I thank the Congress and the American people for making it possible for us to meet the awesome challenge of aiding the world's refugees. Thank you, Mr. Chairman.

[The prepared statement of Secretary Shultz follows:]

Prepared Statement of George P. Shultz

Mr. Chairman and Distinguished Members of this Committee, thank you for the invitation to testify on the President's 1985 refugee admissions proposals.

The Congress has -- in the Refugee Act of 1980 -- stated that the U.S. resettlement program is intended for refugees of "special humanitarian concern to the United States," in accordance with a determination made by the President after appropriate consultation.

Mr. Chairman, after most careful study and reflection, the President proposes a regional refugee admissions ceiling of 70,000 for FY-1985, a small reduction from the FY-1984 level.

Within this overall ceiling of 70,000 the President is proposing a new, separate ceiling for admissions under the United Nations High Commissioner for Refugees' Orderly Departure Program (ODP) from Vietnam and some adjustments in geographic ceilings.

We hope the 1985 admissions program will receive the same broad bipartisan support that it has enjoyed in past years.

-- 50,000 for East Asia, including 10,000 for a separate Orderly Departure Program in Vietnam;
-- 9,000 for Eastern Europe and the Soviet Union;
-- 5,000 for the Near East and South Asia;
-- 3,000 for Africa;
-- 3,000 for Latin America and the Caribbean,

for a total of 70,000 worldwide.

In addition, the President is announcing two new initiatives aimed at resolving pressing refugee problems in Southeast Asia:

First, the United States will accept for admission all Asian-American children and their qualifying family members presently in Vietnam -- hopefully over the next three years. Because of their undisputed ties to our country, these children and family members are of particular humanitarian concern to the United States.

Secondly, a distinct program within the UNHCR's Orderly Departure Program from Vietnam for the resettlement of political prisoners currently and previously confined in the "re-education camp" prisons in Vietnam and their qualifying family members.

Various spokesmen for the communist regime in Vietnam have claimed they would be willing to release all of these political prisoners for resettlement. But despite two years of efforts to arrange for their departure under the UNHCR's Orderly Departure Program, the Vietnamese have released only a handful of these persecuted people for resettlement.

This initiative has as its goal the departure from Vietnam of 10,000 of these persons for resettlement in the United States over the next two years. These current and former political prisoners are of particular humanitarian concern to the United States.

Success in both of these initiatives will require the goodwill and cooperation of the Vietnamese government. We hope the Vietnamese will now respond to these new appeals.

Needs of tne Eight Million Refugees

Mr. Chairman, there are nearly eight million refugees in the world today. In response to this tragic situation, the United States and the international community actively seek durable solutions. In order of preference, these solutions are:

-- Voluntary repatriation to the refugees' homelands;
-- Permanent resettlement in the countries of first asylum; or,
-- Resettlement in third countries, including the United States.

International refugee assistance programs, for whicn the United States provides about 30 per cenc of the funding, help provide basic care and maintenance for the refugees until one of these solutions can be achieved.

We believe that our proposed admissions program for 1985 -- coupled with tne expected admissions programs of the other resettlement countries -- should meet the requirements for resettlement in the coming year. We will continue to work closely with the U.N. High Commissioner for Refugees and with other countries to ensure that tne responsibility for resettlement is shared equitably.

This international resettlement effort -- along with the planned contributions by the U.S. and other donor countries for refugee relief abroad -- will hopefully meet the basic needs of the world's refugee population.

Accomplishments of the Last 10 Years

Mr. Chairman, over the last ten years the U.S. refugee program has compiled an impressive list of accomplishments:

-- Since April 1975, we have successfully integrated into American society more than 700,000 Indochinese refugees.

-- Since 1980, we have accepted for resettlement over 30,000 people from Vietnam under the UNHCR's Orderly Departure Program, including many Asian-American children and a smaller number of former political prisoners -- many of whom might have otherwise been tempted to undertake the dangerous clandestine escape from Vietnam by boat.

-- By contributing over $240 million in relief aid, the United States has played a leading role in averting a serious famine in Kampuchea and in providing life-sustaining assistance to the Khmer people forced to live a precarious existence along the Thai border.

-- Our refugee assistance and resettlement programs have been a key element in maintaining regional stability and strengthening the security of our friends in the Association of Southeast Asian Nations (ASEAN), as well as with other first asylum countries around the world.

-- Even as we coped with a vast outpouring of refugees from Indochina, our resettlement programs have continued to give a chance for a new life to thousands of refugees fleeing persecution in the Soviet Union, Eastern Europe and Iran.

-- Since early 1980, with the UNHCR and the Government of Pakistan, the United States has taken a leading role in providing over $350 million in food, shelter and other assistance to approximately three million Afgnan refugees in Pakistan.

-- International relief efforts, to which the United States has contributed about $100 million this year, have saved tens of thousands of lives in Africa. In a new international effort resulting from the recent Second International Conference on Assistance to Refugees in Africa (ICARA II) -- held in Geneva this past July -- we are working closely with African asylum nations to improve their ability to provide safe and humane asylum to nearly 2 million refugees.

-- An important measure of the refugee program's priority in our country is this: during a time of budget restraint, both Congress and the Executive have left the refugee program largely uncut -- in recognition of the critical needs it addresses -- and, I believe, of its efficient management.

Rather than dwell on our accomplishments, however, we must press ahead with the urgent tasks before us, for many of the yet unresolved problems are grave.

UNHCR Orderly Departure Program

I would now like to discuss in detail our proposal for a new, separate ceiling for admissions under the UNHCR Orderly Departure Program.

In early 1984 the number of ODP departures from Vietnam for the United States exceeded 1,000 per month for the first time since the program began. Total departures to the United States and other resettlement countries have reached an average of 2,200 per month, and in FY-1984 ODP departures to all countries will exceed the number of boat arrivals for the first time. Despite continuing problems, the UNHCR Orderly Departure

Program is working and is increasingly becoming an alternative to hazardous boat escapes from Vietnam.

The reason the President is proposing the establishment of a separate Orderly Departure Program ceiling for FY-1985 is to ensure that a growing ODP is not perceived as reducing the number of refugees admitted to the United States from first asylum countries.

We estimate that this ceiling of 10,000 would permit the departure from Vietnam of some 18,000 refugees and immigrants in FY-1985, some 7,000 of whom would enter the United States as refugees in FY-1986 following completion of language training and cultural orientation at the Philippine Refugee Processing Center in Bataan.

At UNHCR-sponsored meetings in Geneva in October 1982 and October 1983 we urged the Vietnamese to permit an expansion of the Orderly Departure Program. We expect to meet, under UNHCR auspices, with the Vietnamese in Geneva again this October, and will present to them at that time our revised plans for the future expansion of the Orderly Departure Program.

Our revised plans include first a basic restructuring of the U.S. program. Rather than having one ODP program into which we combine all groups of particular concern to the United States, we would propose to divide ODP into three separate sub-programs, and to measure mutual performance against specified processing levels and guidelines for each program. The three sub-programs would be:

1. <u>The Regular Program</u>, for spouses and children of American citizens, ex-U.S. government employees and

ethnic minorities of special humanitarian concern;

2. The Asian-American Program, for Asian-American children and close family members included in the same household as the child; and,
3. The Political Prisoner Program, for current and former political prisoners and specified family members.

For the Regular Program, we would plan to process and move from Vietnam up to 10,000 persons (refugees and immigrants) during 1985. Within the 10,000 level, we would inform the Vietnamese that we would expect them to grant exit visas to a much greater proportion of persons from our special priority lists.

For the other two programs, I have already described the specific new initiatives designed to prompt the processing and movement of these much abused populations. We would set processing and movement levels for these programs sufficient to launch and maintain steady movements for each group during 1985.

Mr. Chairman, I now turn to the proposed admissions ceilings for the geographic regions of the world.

East Asia

In my statement on July 13 of this year to the Association of Southeast Asian Nations (ASEAN) Foreign Ministers' Conference, I praised the member nations of ASEAN for the vital role they have played in granting first asylum to over 1.3 million Indochinese refugees, who since 1975 have been forced to flee their homes and seek safety. I characterized the entire refugee resettlement process from first asylum to final resettlement as "international cooperation at its finest."

Further, I noted that if the process is to continue on the present successful track, we must all continue to shoulder our share of the burden. I pledged that we in the United States will do so and urged others to do so as well.

Our resettlement of over 700,000 refugees from first asylum countries in Southeast Asia, and more recently through the UNHCR Orderly Departure Program, has been a major factor for continuing stability in the region since 1975. The generosity of the American people in receiving these refugees into our society -- along with similar efforts by many other countries -- has enabled the first asylum countries to leave their doors open and at the same time avoid potentially destructive economic, social, and political pressures.

We should not lose sight of the fact that it is Hanoi's oppressive policies towards its own people and its military occupation of its neighbors that must cease before there can be a lasting solution to the Indochinese refugee crisis. It is these policies which are the root cause of the continuing exodus of refugees and the unwillingness of the people who fled Vietnam, Kampuchea and Laos to return to their homes.

The number of Vietnamese boat arrivals in first asylum countries continues to decline for a number of reasons. These reasons include: the UNHCR Orderly Departure Program which has provided a safe and legal means of leaving Vietnam; a shortage of boats available to refugees; and reported restrictions by the Vietnamese authorities on clandestine departures. However, there is still a large number of refugees fleeing Vietnam by boat.

Refugee boat arrivals in Southeast Asian countries will

equal about 26,000 for FY 1984 compared to about 32,800 arrivals in FY 1983 and 49,000 arrivals in FY 1982.

Resettlement by other countries during the current fiscal year should reach about 38,000, the same as last year. With the U.S. and other countries continuing at about the same level of resettlement in the coming fiscal year, the total refugee population in Southeast Asian first asylum camps should drop to approximately 116,000 by the end of FY 1985, down from a high of 409,000 at the peak of the Indochinese refugee crisis in 1979 and a significant reduction from the level of 176,000 at the beginning of the current fiscal year.

To lessen the Indochinese refugee burden on Thailand, Malaysia, Indonesia, the Philippines and Hong Kong, the U.S. has maintained a relatively high rate of resettlement from the region. We believe that admission of 40,000 refugees in FY 1985 is our fair share -- a level equal to the number of refugees we expect will be admitted by the rest of the refugee resettlement countries combined. This should encourage other resettlement nations to continue to participate in resettlement from Southeast Asia. Processing by Immigration and Naturalization Service officers has been smooth and efficient during FY 1984, thanks in part to improved casework by the voluntary agency representatives in the field and to the effect of the revised INS refugee processing guidelines issued in August 1983.

Soviet Union and Eastern Europe

Despite its international obligation under the Helsinki Accords to allow freer emigration, the Soviet Union continues to prevent Jews and other persecuted minorities from leaving.

We have urged the Soviets to honor their agreements and to issue exit permits to those who wish to leave, and I intend to make this point with Foreign Minister Gromyko when I meet with him at the United Nations. The severe Soviet restriction on Jewish and other emigration regrettably reduces the need again this year for proposing a large refugee admissions ceiling for Eastern Europe and the Soviet Union in FY 1985.

On the other hand, we want to maintain a sufficiently high ceiling to provide for our fair share of the normal outflow of refugees from the countries of Eastern Europe. We estimate that a ceiling of 9,000 admissions should be adequate for this purpose.

Near East and South Asia

The Near East and South Asia region has several major refugee-producing situations, particularly in Afghanistan and Iran. In most cases, the refugees coming from this area are able to find continuing asylum in the region.
We estimate that a refugee admissions ceiling of 5,000 will be sufficient to provide for those persons requiring resettlement who are of special concern to the U.S., especially persecuted Iranian religious minorities such as the Bahai's and persons from Afghanistan whose positions in former Afghan governments or association with the United States make them particular targets of persecution.

Africa

The generous hospitality of African countries of first asylum, and some limited possibilities for voluntary repatriation have mitigated the need for any significant

resettlement outside of Africa. However, there remains a relatively small number of African refugees for whom asylum or integration in the region is not feasible. We are proposing a ceiling of 3,000 for Africa to accommodate these special cases.

Latin America and Caribbean

Finally, we are requesting 3,000 admissions for potential refugees from Latin America and the Caribbean who might require resettlement in the U.S. This is an increase of 2,000 over FY 1984 and should be adequate to permit the admission of refugees for whom resettlement in the United States is the most appropriate option.

English Language Training and Medical Programs for Refugees

Mr. Chairman, we have dedicated significant time, money and effort to developing programs to help refugees prepare for their new lives in America.

For example, in 1985 we anticipate further improvements in both the English-as-a-Second-Language and Cultural Orientation (ESL/CO) programs and in the medical screening program. The Department of State is concerned with the quality of refugees' preparation for life in the U.S. and the thoroughness with which medical problems are detected and treated. These programs have a direct impact on the success and cost of refugee resettlement in the United States.

Funds are available in the Department of State's Migration and Refugee Assistance budget requests to extend ESL/CO training in Southeast Asia for some refugees by four weeks, providing newly arriving Indochinese a stronger English

language preparation. An expanded medical and dental care facility recently began operation at the Philippine Refugee Processing Center in Bataan. This facility, paid for in large part by the Japanese Government and largely staffed by volunteer Japanese medical personnel, is an excellent example of international cooperation in dealing with the Indochinese refugee problem.

These medical services will help reduce the cost to the U.S. Government of medical and dental care for refugees, who will now receive this treatment before their arrival in the U.S.

Refugee Resettlement in the United States

Once refugees arrive in our country, there begins the important task of helping them become self-sufficient.

The Department of State cooperates and collaborates with private voluntary agencies in this country to improve this transition process through which refugees become integrated into American society.

During the reauthorization deliberations for the Refugee Act, it became abundantly clear that the Congress desires a strengthened role for the private sector in assisting refugees to start to build productive, self-sufficient futures in their new country. The Administration concurs wholeheartedly with this goal.

We look forward to a reauthorized Refugee Act to clarify and strengthen the private sector's role. Meanwhile, we will continue to work with the voluntary agencies to assure that refugees receive the full range of initial reception and

placement services during their first critical months in the United States.

We have created an effective network of governmental and private organizations to assist refugees. We believe the reception and placement program is working well and that further improvement can be expected in line with the Refugee Assistance amendments of 1982, the revised provisions of the cooperative agreements, and the reauthorized Refugee Act.

Assistance to Refugees Abroad

While the proposed admission of refugees in FY 1985 is the focus of this hearing, it represents only one part of U.S. refugee policies and programs and approximately one-third of the $335 million of the 1984 refugee budget. About two-thirds of that budget -- $227 million -- is the U.S. contribution to international assistance for refugees.

The magnitude of the overall world refugee situation has not changed appreciably since the Administration's last consultation with this committee in September 1983. We estimate the current world refugee population at slightly more than 8 million people. With bipartisan Congressional support, the U.S. has responded generously with assistance funds and commodities for those refugees in need. Most U.S. assistance is channeled through international organizations. As in past years, the U.S. will contribute about 30 per cent of the total budget of the U.N. High Commissioner for Refugees. Other contributions will be made to the International Committee of the Red Cross (ICRC), the Intergovernmental Committee for Migration (ICM), the UN Relief and Works Agency for Palestinian Refugees (UNRWA), and the U.N. Border Relief Operation (UNBRO)

in Southeast Asia, as well as to a number of smaller U.S. and international voluntary agencies involved in refugee assistance. Total U.S. refugee assistance expenditures in fiscal year 1985, including food aid, are projected at $286 million.

Southeast Asia

In Southeast Asia, the U.S. plans to contribute its fair share of approximately 30 per cent of the budget of the U.N. Border Relief Operation (UNBRO), which provides life sustaining assistance to approximately 240,000 Khmer living in camps on the border with Thailand. I would like to call special attention to the exceptional performance of UNBRO and the Thai Government in evacuating endangered Khmer refugees during recent Vietnamese military attacks. Loss of life was kept to a minimum, as both evacuation and relocation operated with extraordinary efficiency and timeliness.

Anti-Piracy Programs

We were very pleased that the UNHCR-Thai Government anti-piracy program was renewed for another year in June. The U.S. has taken the lead -- with strong Congressional support -- in underwriting this program with a pledge of $1.5 million toward the $3.6 million budget. While the number of pirate attacks are down from previous years, they are still much too high and a matter of grave concern and action by humanitarian governments. We will continue to support all efforts to eliminate pirate attacks, and to ensure tnat the unfortunate victims of these attacks receive necessary counseling and improved medical care.

The U.S. will also continue to support other anti-piracy programs, both through the UNHCR and bilaterally, from funds earmarked by the Congress for the fight against piracy in Southeast Asia.

Near East and South Asia

The world's largest concentration of refugees continues to be the nearly three million Afghans who have been forced to seek asylum in Pakistan due to the Soviet Union's brutal occupation of their homeland since December 1979. This large refugee population has been generously assisted by Pakistan, whose government and people have provided asylum to their Afghan neighbors for almost five years. In particular, the Government of Pakistan has permitted many Afghans to obtain wage-earning employment or start their own businesses in Pakistan, actions of exceptional generosity toward a refugee population.

As in past years, the U.S. will provide about 25 per cent of the budget of the U.N. Relief and Works Agency for Palestinian Refugees (UNRWA) which provides education and health services to 2 million refugees.

Africa

Over two million refugees have been compelled to leave their homelands in Africa to seek refuge from war and famine in neighboring countries.

The already strained economies of Sudan and Somalia have had to cope with the additional burden of accomodating more than a half million refugees. The continuing instability in

neighboring countries is imposing a considerable strain on the host countries who, despite the best intentions, are unable to sustain this sizeable influx without continuing generous international assistance.

President Reagan's proclamation of this past July 9th as African Refugees Relief Day symbolized a continuing commitment by the United States to assist refugees in Africa.

The Second International Conference on Assistance to Refugees in Africa (ICARA II), held in Geneva from July 9-11, set new goals for assisting refugees in Africa to achieve self-sufficiency and for assisting first asylum countries by strengthening their infrastructures in refugee-impacted areas.

The U.S. delegation to the Conference, led by Attorney General Smith, strongly supported these goals. The U.S. will be studying the funding of various projects proposed by the African countries aimed at providing long-term assistance to their refugee populations.

Central America

Our refugee programs in Central America support our overall objective of strengthening the forces of moderation against extremism of both the left and the right. Our assistance for El Salvador's displaced persons helps those who have fled guerrilla-infested villages for areas more firmly under government control, thereby strengthening President Duarte's government. Our assistance for Nicaraguan refugees in Honduras and Costa Rica keeps the flame of freedom alive for people like the Miskito Indians who have fled Marxist repression. Our assistance also benefits individuals who are potential victims

of right wing violence or who are simply fleeing the depredations of vicious guerrilla conflicts. By maintaining our first asylum policy and supporting refugee centers located in Central America, we also ease the pressure of more massive illegal immigration to the U.S.

Bipartisan Congressional Support

The U.S. refugee program has enjoyed broad bipartisan support over the years and under the leadership of President Reagan I assure you that it will continue to be given high priority within the Administration. We are indebted to the great work of many dedicated Senators and Congressmen. I would like especially to express my gratitude and deep respect for the work of Chairman Thurmond and Senators Simpson and Kennedy.

I know there are many other members of the Senate -- from both sides of the aisle -- who have devoted their time and energy to the delicate and difficult task of refugee admissions and assistance, but I think it is fitting that the Senators I have mentioned are singled out for special praise.

In the House, bipartisan support for refugee and immigration legislation has been equally strong. I salute in particular the leadership of Chairman Rodino, and Congressmen Mazzoli, Fish, Lungren and McCollum, whose distinguished work has done so much to advance the cause of enlightened refugee policy in the United States.

On behalf of the President, I urge the Congress to continue its strong support for the refugee program and to assist in providing the budgetary and admissions resources which will be required to carry it out.

Refugee assistance and resettlement depends for its success on international cooperation. On the whole, the international community, excluding the Soviet Union and its allies, has met the challenge of this immense humanitarian task.

The U.S. refugee program is also a model of U.S. Government interagency cooperation and an excellent example of cooperation among governmental and private organizations throughout the United States. The resettlement of refugees has drawn upon the idealism and dedication of Americans from all walks of life. It is a program in which local initiative has counted for as much as federal funding.

We believe the 1985 admissions program we are discussing today, and the 1986 program which is currently being developed within the Administration, will be sufficient to meet anticipated refugee needs and to launch the initiatives I discussed earlier.

In order that the Congress and the Administration may continue to work jointly on the refugee program, we would be prepared -- at mid-year -- to meet with the relevant committees in both Houses to review our progess -- particularly with regard to the initiatives with the Vietnamese.

Conclusion

We can all take justifiable pride that the United States is recognized throughout the world for its leadership in humanitarian assistance to and protection of refugees. We have given much to help the refugees of the world, but we have also benefited from the talents and hard work of the many refugees who we have accepted for resettlement in the United States. Beyond the contributions of such well-known figures as

Solzhenitsyn and Rostropovich, thousands of other refugees from persecution have greatly enriched our national life with their talents and hard work. We must be aware of the costs of our refugee program, but we should not forget its valuable contributions to the social and economic life of our country.

I thank the Congress and the American people for making it possible for us to meet the awesome challenge of aiding the world's refugees.

Senator SIMPSON. Thank you very much, Mr. Secretary, and you mentioned the bipartisan effort in immigration and refugee matters, and I assure you that it is on this level. And I want to at that moment recognize the presence of Senator Grassley, who has been a very attentive and able member of the subcommittee and the full Committee on the Judiciary. I always appreciate his good participation. I would also mention that Senator Kennedy will be present shortly, who is the ranking member of this subcommittee and a member of the full Judiciary Committee.

And we have always concurred in these consultation issues, along with Senator Thurmond, who is the gracious chairman, and Senator Biden. So in this area and in immigration reform, there are no partisan lines in that area, I can assure you.

Mr. Secretary, I have a few questions and then I will defer to Senator Grassley, who may pose a question or two. What is the current status with regard to the Vietnamese in these reeducation camps? Have we received a list of those persons in the camps?

Has the International Red Cross been granted any sort of access there?

Secretary SHULTZ. We have not received a list nor access, but we work at it, and one of the objects of the President's initiative, as partly stated in my testimony, is to help open this matter up more.

Senator SIMPSON. In the proposed refugee admissions comments, some almost 20,000 ODP cases departed Vietnam in the first 10 months of 1984, fiscal year 1984. In view of the fact that some 5,700 ODP cases were admitted to the United States in 1984, are we then to conclude that there are currently some nearly 14,000 such cases awaiting resettlement in the United States and currently residing outside of Vietnam, possibly in the Philippines? Is that so?

Secretary SHULTZ. I have with me Mr. Robert Funseth, who is the Senior Deputy Assistant Secretary of the Bureau of Refugee Programs, and I think he is a little more comfortable with that question, I hope, than I am.

Senator SIMPSON. Thank you. If you would, Mr. Funseth.

Mr. FUNSETH. Mr. Chairman, beginning this year, we have begun to send the ODP refugees from Vietnam to the refugee processing center at Bataan. The reason we are doing that is because we have

discovered they have the same needs for English language training, cultural orientation, and medical screening that other refugees have in order to improve their chances at self-sufficiency.

Senator SIMPSON. But then we have already an ODP backlog which even the proposed 10,000 number would not meet?

Mr. FUNSETH. Well, as you know, there are nearly 500,000 people who have expressed an interest to come out under the ODP. We then developed those lists into smaller processing lists, special humanitarian lists that the Secretary referred to which we present to the Vietnamese.

And, yes, as in first asylum, there is a processing pipeline.

Senator SIMPSON. In our East Asian dealings, is it not our primary obligation still to the first asylum countries? What type of signal do we send to them by breaking out the 10,000 number for the ODP Program?

Secretary SHULTZ. Well, in part, as I think I said in my testimony, the object of breaking it out is to give assurance that this program is not going to overwhelm the whole situation. We have, to put it another way, set out a 40,000 ceiling that is addressed essentially to those who go through the first asylum process.

Mr. FUNSETH. May I add, Mr. Chairman, that I believe the signal will be received favorably. The ASEAN foreign ministers in their communique urged an expansion of the UNHCR Orderly Departure Program to reduce the pressure on boat arrivals in first asylum countries.

Senator SIMPSON. And I noted the recent visit of the U.N. High Commissioner indicating the worth, apparently, to him of the ODP Program.

We have about 150,000 Indochinese cases in first asylum countries, plus now a substantial number of cases that are in the pipeline, and then the possibility of the re-education camp cases. How are we going to prioritize those cases? Is it first-in, first-out, or priority one ahead of priority two, or what sort of planning do we exercise in authorizing the ODP departures of Vietnam? Do you have any comment?

Mr. FUNSETH. As the Secretary mentioned in his statement, when we meet with the Vietnamese in Geneva in October, we are proposing three subprograms: A regular program in which we would anticipate the level to remain about 10,000; then the two other subprograms for the Asian-American children and for the political prisoners.

We referred earlier to the refugee proceeding to the refugee processing center and the creation of a pipeline. We believe that with the admission to the United States of 10,000 that, in fact, approximately 18,000 people will move out of Vietnam during the coming fiscal year.

Secretary SHULTZ. If we are able to make appropriate arrangements with the Vietnamese, which we are trying to do.

Senator SIMPSON. How many Indochinese cases did we approve in fiscal year 1984?

Mr. FUNSETH. Over 50,000.

Senator SIMPSON. Has the INS—and we will hear from the Commissioner later on that after you leave—have the INS and the State Department given consideration to giving any sort of prefer-

ence in the selection of priority 6 refugees to persons with minimal language capability or usable job skills in order that we might cut down a bit on language and orientation expenses and on resettlement costs once refugees are in the United States? That is a heavy item and it keeps coming up in our budget discussions where we show a dependency rate of 53 or 54 percent, and in one State a dependency rate of 93 percent.

Do not other resettlement countries such as Canada, Australia, and France give strong consideration to those factors?

Mr. FUNSETH. Yes, sir; they do. If I may go back to the beginning of your question you will recall that in an attempt to discourage people from leaving Vietnam who had less than compelling reasons to leave we suspended considering for resettlement in the United States the so-called P–6 priority cases, those people who have no connection with the United States and who arrived in first asylum after May 1, 1982.

Those who arrived after May 1, 1982, are not eligible for our program. We took this step in cooperation with first asylum countries which also adopted various policies to deter arrivals, in order to discourage people from leaving by boat who had less than compelling reasons for doing so. We believe that that has contributed to the decrease of boat arrivals.

As for P–6 persons who may have particular language skills, I believe that in the first place we would not want to lift the suspension of the P–6 processing. Second, I believe that with most of the refugees—the overwhelming majority of them—we find that they do benefit from English language training and cultural orientation.

Senator SIMPSON. Just one further question and then I will ask Senator Grassley, who may have questions.

It is not quite clear to me whether the 10,000 ODP admissions requested for fiscal year 1985 would be applied to political prisoners or to the "regular" ODP Program. In one instance the appearance is that at least some would be applied to political prisoners, while at another location it appears that most of the numbers would be applied to the regular program.

If the negotiations are successful—and I know that you are committed to that, and I admire that greatly—regarding the political prisoners, if that is successful, does the Department then anticipate requesting additional numbers, either the transfer of numbers or emergency consultation procedures, which this subcommittee and full committee, of course, are always prepared to do?

Secretary SHULTZ. I appreciate the fact that you are so prepared and that is, I think, one of the important aspects of the consultation process and our working with the committees.

We do not have any anticipation that we will need to do that. On the other hand, we do not have perfect knowledge either of exactly how many people are involved and what sort of response there will be, so that there is some uncertainty.

But we have tried to lay out a plan that, to the best of our knowledge, will accommodate the problem.

Senator SIMPSON. I guess my concern is that we do not begin to build an entitlement in that area. If we do, we will inevitably put a harsh impact upon the first asylum countries such as Thailand, Malaysia, and Indonesia, and I caution against that as we deal

with numbers, realizing every number is, of course, a human being, too.

Secretary SHULTZ. Well, of course, with respect to the children that are identified here, we are saying that we would take all of those children. Now, of course, then you have to have a process in which you distinguish who really falls into the category and who does not. That is sometimes difficult. Nevertheless, we have set that out as an objective.

Senator SIMPSON. We have had some interesting hearings on that issue, I can assure you.

Chuck Grassley.

Senator GRASSLEY. I want to thank you, Mr. Secretary, for your statement in regard to your meeting with Foreign Minister Gromyko in that you intend to bring up the issue of emigration of minorities from the Soviet Union particularly Soviet Jews.

Could you indicate, in addition to what you have already said, where on our list of priorities is the subject of emigration from the Soviet Union?

Secretary SHULTZ. Well, it is at the top of our agenda. I have always brought it up in my discussions in the past with Soviet officials, and I always will bring it up. I cannot say that I have gotten much satisfaction out of the discussion, but the fact that it is a major problem and that we have not gotten very far does not mean we should not bring it up again. We should bring it up; we should keep calling attention to it, and I intend to do so. So, it is a top priority with us.

Senator GRASSLEY. Is there any light at the end of the tunnel, or indication that there might be any improvement in their position on that subject?

Secretary SHULTZ. Well, I cannot point to anything specific, but at the same time, since there are the Helsinki accords, since there is the great human appeal, since there has been variation in the past in what has been possible, I have to hope that there might be a chance. And as long as there is a chance, we should keep working to make it materialize, and that is what we intend to do.

Senator GRASSLEY. Well, thank you, and I want to encourage that and I appreciate very much the direction and the attitude that you and this administration have taken.

On another point in regard to Romania, there has been a healthy situation develop as we have pushed the Romanian Government for more emigration, and we have particularly done that each time we have had the MFN talks and renegotiations.

Now they are responding by letting more people leave and, as a result we have run into the backlog. To my understanding, there is about a 4,800-person backlog at this point. And, of course, the problem for the people who have the legal status to emigrate is that they usually lose their job, and their housing, among other things.

Therefore, there is a problem for those individuals between the time of visa approval from the Romanian Government and visa approval for entry into the United States. My question is, Can the process be speeded up on our end?

If that is not possible, is it possible for us to negotiate with the Romanian Government in any way so that these people, while they

are waiting, somehow would be able to retain employment and housing.

Secretary SHULTZ. It certainly is a problem. I would like Mr. Funseth to comment on it.

Mr. FUNSETH. Senator, I believe, as you know, we did conduct a review of the Romanian Program. We, of course, object very much that the Romanian Government penalizes its citizens who register to leave under this program.

And in this review, we have publicized, both through the "Voice of America" and inside Romania, that any Romanian that is contemplating leaving Romania for the United States should come to our Embassy before he applies for the exit permit to determine whether he would be eligible for our program. In other words, we hope that people will defer obtaining an exit permit and exposing themselves to any kind of discrimination.

With the numbers that the Secretary announced today which will permit the admission of 2,000 and a little bit more this year—we would anticipate in the coming years to reduce that backlog down significantly. At the same time, we want to maintain a Romanian Refugee Program for those Romanians who genuinely do have a well-founded fear of persecution for political or religious reasons.

Senator GRASSLEY. In regard to the figures you just gave, the 2,000 figure, to what extent could you predict that within the next 12 months, then—this backlog, if I understand it correctly to be 4,700, would be reduced by how much?

Mr. FUNSETH. Well, I wish it was 4,700. Actually there are about 6,700 persons in the pipeline. By the end of the next fiscal year, we hope to reduce that by another 2,000, and in the succeeding year as well. Unfortunately, it is 6,700 this year.

Senator GRASSLEY. Well, then let me ask it this way. How much catching up are we doing, then, this year as opposed to the backlog and how much it grows each year? Are we staying ahead of the situation?

Mr. FUNSETH. Well, in fact, it is not growing now, and we hope over the next 12 months that it will be reduced by 2,000 to 2,500 names.

Senator GRASSLEY. I appreciate that. Then back to another point I raised, is it possible for us to visit with the Romanian Government about this problem? Have we done that? Can it be done? I ask this because I guess I have hope there that I do not with a lot of other Eastern Bloc countries.

Secretary SHULTZ. Yes, I agree with you, and Assistant Secretary Abrams, I think, can make a comment on that.

Mr. ABRAMS. We have had discussions of those questions with the Romanians, Senator, starting at least 2 years ago with a trip I made to Bucharest, and then with visits the Romanians have made here. We have had lengthy discussions about immigration procedures.

I think it is fair to say that there have been some real improvements in their immigration program. I think it is fair to say that the amount of persecution that applicants for immigration meet with has gone down. Certainly, the numbers have evened out.

You know, there was a time when the Romanians would bunch up all the immigrants just the month that MFN was being considered on the Hill. One of the things that you asked and we asked was that it be evened out over the year in monthly totals. They have done that, so there have been a number of areas where their performance has improved. We will continue to press them on all of those.

Senator GRASSLEY. Thank you.

Mr. FUNSETH. Senator, I might note that 2 years ago there was a backlog of 10,000, so we have made progress.

Senator GRASSLEY. Thank you. I think that is all. Thank you.

Senator SIMPSON. I just had one further question, Mr. Secretary. I am curious about the contributions to the care of the various refugee groups. In Africa we contribute, I think, about $50 million to the U.N. High Commissioner and the International Committee of the Red Cross for the care of some 1.5 to 2 million refugees.

In Pakistan, with nearly 3 million refugees, we contribute about $24 million. Can you share with us the background on the larger expense equated toward the African refugees and perhaps that discrepancy? What is that? It would be helpful.

Secretary SHULTZ. If you could comment on that?

Senator SIMPSON. It would be helpful.

Secretary SHULTZ. I would like Mr. Funseth to comment on that.

Mr. FUNSETH. The explanation, Mr. Chairman, is that it is simply more expensive in Africa than it is in Pakistan. In Pakistan we have one large refugee group, Afghans, who come across the border and are living in one country. In Africa, there are refugees coming from different countries and seeking asylum.

Fortunately, in Africa, many of the countries which grant first asylum are also prepared to allow the refugees to remain there indefinitely. We have been contributing through our refugee program as well as through AID to so-called durable solutions, contributing to infrastructure to ease the impact that these large refugee populations have on the countries. That basically, I believe, is the explanation.

Secretary SHULTZ. But at the same time, I think we certainly feel that we have been very forthcoming with the refugees in Pakistan, and I would like to take the occasion to tip my hat to the Pakistanis who have a very large group, proportionately, in their country and have received them and are taking steps to help them toward their own self-sufficiency. I think it is an outstanding performance on behalf of the Government of Pakistan.

Senator SIMPSON. I certainly concur. Also, Mr. Secretary, you indicate in your remarks the worth of the midyear consultation.

Secretary SHULTZ. Yes.

Senator SIMPSON. And I appreciate that, and there we can look at the issue of the reeducation camp resettlement. I think that is a good point to take a look at that because I can assure you that this committee is interested in that, and then, of course, clearing the entire Amer-Asian children issue in 3 years would be an excellent approach, I feel.

So we will look closely at that in the midyear consultation, and we hope we might have you participate again. You have been very good to do this and I know you have a schedule to meet. It is very

appropriate that you are here, with such a large expenditure of the State Department budget in these areas.

And I appreciate your doing this in the midst of a myriad of duties far more complex than my meager agenda would ever reach, and I thank you for your personal cooperation with me, especially as we have grappled with immigration reform and illegal immigration and relationships with Mexico and the assistance that you have personally rendered to me. You have been more than gracious.

Secretary SHULTZ. Thank you, Mr. Chairman.

Senator SIMPSON. With that, Mr. Secretary, we thank you very much. There will be further questions by the committee, and I know Senator Kennedy has questions. We will submit those in writing.

Thank you, sir.

[Subsequent to the hearing, the following material was received for the record:]

United States Department of State

Washington, D.C. 20520

OCT 2 1984

Dear Senator Kennedy:

The Secretary has asked me to thank you for your letter of September 17, commending the Administration's recommendations for our refugee program operations in the coming fiscal year.

We appreciate your suggestion that the Secretary should meet with the Vietnamese Foreign Minister to discuss the new initiatives which he announced on September 11, concerning the resettlement of Amerasian children and political prisoners in the United States through the UNHCR Orderly Departure Program. It is our judgment, however, that what is needed now is a serious discussion between American and Vietnamese experts to develop an expanded program for bringing these groups from Vietnam to the United States. Senior American officials are scheduled to meet with representatives of Vietnam, under UNHCR auspices, in Geneva in early October. At that meeting, we will present and discuss our proposals in detail. As the Secretary said in his testimony before the Senate Judiciary Committee, success in these initiatives will require the goodwill and cooperation of the Vietnamese government. We hope the Vietnamese will respond positively to our new appeals.

I am enclosing written responses to the questions you submitted with your letter to Secretary Shultz. I trust you will find these answers both meaningful and informative.

On behalf of the Secretary, may I express our sincere appreciation for your continuing strong support of the U.S. refugee program and our efforts to meet the humanitarian needs of large numbers of people who must flee their homelands.

Sincerely,

W. Tapley Bennett

W. Tapley Bennett, Jr.
Assistant Secretary
Legislative and Intergovernmental Affairs

Enclosure:
As stated.

RESPONSES OF SECRETARY SHULTZ TO QUESTIONS OF SENATOR KENNEDY

SOUTHEAST ASIA

QUESTION:

1. According to statistics reported from the field, it would appear that the flow of "boat people" has barely subsided from the levels of last year. For every 10 Vietnamese "boat people" the international community resettled in 1983, eight have come out to take their place. It also appears from reports that the character of the flow has changed, and is increasingly migrant in nature. Many have asked whether we have institutionalized an on-going migrant/refugee flow.

On page 3 of your statement the three basic approaches to durable solutions are outlined. However, to date, our policy -- and that of the UNHCR -- has relied almost entirely upon the last, namely third country resettlement.

My concern is that we seem to be approaching the continued flow of Indochinese as a program to be managed, rather than as a critical diplomatic problem to be solved. Without jeopardizing the principle of first asylum, what diplomatic initiatives are underway to find alternatives to third country resettlement?

Especially with the apparently growing non-refugee component to the flow, what negotiations have we considered to secure their return -- such as the recent influx from Laos? Is the United States prepared to support directly or indirectly UNHCR efforts to negotiate the return of those Indochinese not deemed to be refugees?

Regarding local settlement, what initiatives and what progress has been achieved in planning for the local settlement of Hmong refugees? Most observers believe this is the humane solution to the vast majority of the Hmong in Thailand. Over two years ago a "Hilltribe Working Group" was formed, involving U.S. Embassy, USAID and senior officials of the Thai government. A tentative plan was agreed to by the Thais to establish a modest $5 million pilot project aimed at moving the Hmong to greater self-sufficiency, hence a step closer to local settlement. What progress has been achieved to date?

ANSWER:

-- The arrival of Vietnamese "boat people" in first asylum countries has consistently decreased since FY-1981, as shown in the following statistics:

Year)	Arrivals	% Change
FY - 1981	81,545	
FY - 1982	48,945	-40%
FY - 1983	32,847	-33%
FY - 1984 - (through August)	23,557	-22%

-- While monthly statistics earlier this year indicated a lesser decrease, the number of boat refugees arriving during the last three months has been sharply down. August established a new monthly low of 564, which represents a 65% decrease from August, 1983. The Department of State hopes that overall boat arrivals will continue to decline.

-- Both the USG and the UNHCR have attempted to partially resolve the refugee problems in SE Asia through voluntary repatriation and local resettlement, unfortunately with only limited success. Almost 2,500 Lao nationals have been repatriated under the auspices of the UNHCR. This program

was recently suspended by the Lao due to the Thai-Lao border dispute. While there are no firm statistics, a number of Lao and Khmer have returned to their home countries on their own initiative. While both Vietnam and Kampuchea have refused to agree to a formal repatriation program, the USG and UNHCR will continue their efforts in this area.

-- For a number of reasons (e.g., ethnic and, in some cases, religious differences, as well as economic and population problems in the first asylum countries), permanent settlement is difficult and, in some cases, impossible. However, there are groups, such as the majority of Hmong, who thus far have shown little interest in third-country resettlement. Although there are no specific development projects designed exclusively for the Hmong in Thailand, some have participated in the AID's Maechin Watershed Development project. We will continue to pursue all viable solutions for the Hmong.

EAST ASIA

2. Question:

What is the Department's response to the recommendation in several quarters that the U.N. High Commissioner for Refugees should begin to screen, on a case-by-case basis, all new arrivals to determine whether they are refugees under the U.N. Convention and Protocol--to begin treating arriving refugees differently than those determined to be migrants?

Answer:

We understand that UNHCR and the Royal Thai Government are discussing the possible implementation of refugee screening on

the Thai-Lao border. We do not see a direct USG role in such a program and we will examine any border screening proposal carefully prior to announcing a position.

AFRICA

3. Question:

Please assess the refugee situation in the Horn of Africa, particularly in light of recent reports of massive famine developing in many areas. What is the current situation in Ethiopia and what has been the response of the United States and the international community? Given conditions in Ethiopia, what is the current status of the repatriation plans for Ethiopians in Djibouti?

Answer:

Our best estimate (as of May 1984) of refugees requiring protection and assistance in the Horn of Africa is 1,060,000. Of these, approximately 606,000 are in Sudan, of which 400,000 are from Ethiopia, 200,000 from Uganda, and the remaining 6,000 from Chad and Zaire. Somalia hosts 400,000 and Djibouti about 13,000, all from Ethiopia. Ethiopia itself shelters about 40,000 Sudanese who have fled civil unrest in the south of that country.

The ebb and flow of refugees from Ethiopia varies with the intensity of strife, repression and famine in that country. At times and in some areas there has been limited movement back into Ethiopia. Of late, net refugee totals have been rising in Sudan and Somalia, but substantial repatriation over the past year from Djibouti has lowered the total there.

We have recently received reports of heightened drought in Ethiopia, particularly in the North. If conditions continue to

worsen, there will be a need for a larger response from the international community. To the extent that subsistence needs can be met by assistance rendered within Ethiopia, the inevitable flow of famine victims to other countries can be alleviated. The Department is monitoring this situation closely.

In these circumstances the future of UNHCR - sponsored repatriation from Djibouti is difficult to predict. The program has been made possible by reduction in civil strife in the Ogaden area from which those refugees initially had fled, but food shortages in Ethiopia could now become a dissuasive factor to further return. Moreover, even under optimum conditions a significant long-term residual population, particularly among these of urban orientation, would be likely.

4. Question:

What is the Department's assessment of the recent International Conference on Assistance to Refugees in Africa, and what specific programs and projects does the Administration plan to act upon as a follow-up to the Conference, and what is the estimated level of additional funding?

Answer:

The Department is very satisfied with progress attained in July at the second International Conference on Assistance to Refugees in Africa (ICARA II). The conference heightened awareness both in Africa and among donor countries of the need to look beyond the pressing requirements for life support toward permanent solutions to refugee problems and the building of greater self-reliance of refugee communities. The U.S. is already emphasizing these goals in its refugee assistance

effort in Africa, and will study closely the feasibility and relative potential of numerous proposals put forward by African nations at the conference. We expect to request substantial funding for such projects in FY-86.

5. Question:

Has the recent violence in South Africa produced any additional refugees into neighboring countries?

Answer:

We have very recently received word of an increased outflow in mid-September from South Africa into Botswana, but cannot yet measure whether these movements represent a significant and lasting pattern.

Latin America:

6. Question:

What is the current status of plans for moving Salvadoran refugees in Colomoncagua camp to a new site? Are similar plans being made to close and move Mesa Grande?

Answer:

The Honduran Government recently announced that it has postponed the planned relocation of Salvadoran refugees from Colomoncagua and San Antonio to Olanchito in Yoro Province. The Government of Honduras is currently reviewing its policies regarding refugees in the border area, including Colomoncaqua and Mesa Grande.

7. Question:

Recent reports suggest there has been some voluntary repatriation of Salvadoran refugees back to El Salvador. How many and where have they relocated? Has the threatened closing of Colomoncagua contributed to the motivation to return to El Salvador?

Answer:

Our embassy in Honduras has reported that between 1200 and 1400 Salvadoran refugees in Honduras have voluntarily returned to El Salvador this year. Of these, approximately two thirds were refugees housed in the camp at Mesa Grande. We understand that between 400 and 500 of the repatriations were refugees who after having fled from Salvadoran guerrillas, chose to return to parts of El Salvador under government control. We do not know exactly where these refugees relocated in El Salvador since they returned at their own initiative. We have heard reports that some of the Salvadorans returned to their country to take advantage of jobs provided by the Displaced Person program. The planned closing of Colomoncagua may have contributed to the motivation of some refugees to return to El Salvador, but this is difficult to determine.

NEAR EAST AND SOUTH ASIA

QUESTION:

8. The situation of the Baha'is in Iran remains critical. What number of Baha'i refugees do we anticipate we will accept during the coming year, and should we revise our processing criteria and procedures to meet their resettlement needs?

ANSWER:

-- Officials of the Department of State have met with leaders of the Baha'i faith and recognize that this group is subject to severe persecution by the Khomeini regime. Instructions are presently being developed that would instruct refugee processing posts to consider Bahai's on a special case-by-case basis for possible admission under our program. We expect to admit about 2,350 Iranian refugees in FY-1985 under the NEA ceiling of 5,000. Since we do not keep statistics by race or religion, it is impossible for us to know how many Baha'is have been admitted or will be admitted as refugees to the U.S. Substantial numbers of Iranian Baha'is have also resettled in Canada, Australia, France and other countries. The Baha'i leadership endorses this dispersal of resettlement and expects this practice to continue.

Senator SIMPSON. Eugene Douglas was to be our second witness here this morning, and he is still testifying in the House of Representatives. So we will go forward at this time with the designated hitter—pinch hitter, excuse me—and we will have now the testimony of the Commissioner of Immigration, Al Nelson.

I do welcome you here, Alan, the Commissioner of the INS, and if you could summarize your remarks in accordance with this remarkable device here, we will be pleased to hear your views.

STATEMENT OF ALAN C. NELSON, COMMISSIONER, IMMIGRATION AND NATURALIZATION SERVICE, U.S. DEPARTMENT OF JUSTICE

Mr. NELSON. Thank you, Mr. Chairman. It has been a pleasure to be here with the Secretary and the other members to pursue the consultations with both the Senate and the House. There is shuttle diplomacy going on, as you know, and that is one of the reasons Ambassador Douglas is delayed.

Many of the items, of course, were covered in Secretary Shultz' testimony, so I will not repeat them. I would submit our statement for the record.

The Secretary talked about many efforts of coordination and good, effective international relationships. I think that can be emphasized domestically, also. The overseas refugee operations during this current year have been harmonious and productive. There have been over 81,000 refugee interviews conducted, and we anticipate that 71,000 refugees will be admitted to the United States by the end of this fiscal year.

There has been increased cooperation among the agencies, both private and public, which have been responsible for carrying out this program. I particularly want to compliment Ambassador Douglas and Mr. Krieger and the refugee coordinator's staff; the Refugee Program, Mr. Funseth, and Mr. Purcell and their staffs. I think there is excellent cooperation there; also, with the voluntary agencies. I think the relationships have made the whole process work much better.

The worldwide guidelines that were adopted 1 year ago have worked well. They have increased the consistency of decisions, encouraged communications and overall cooperation. I think we can be proud of this.

There have been a number of management improvements. We have talked with you before, and other Members of Congress, on the overall need to make management improvements. That has been true with the various elements in the State Department, the Refugee Coordinator's Office, and INS.

We have done several things. We have eliminated temporary duty officers and have staffed our overseas offices with permanent positions. We have instituted required language studies, area studies and related training for overseas personnel. We have now implemented a regular rotation policy with a maximum tour of 5 years, somewhat similar to that of the State Department. Again, we think all of this gives management important improvements.

We have made a number of other changes. As the committee knows, we have moved our District Office in Asia from Hong Kong to Bangkok. This gives us greater efficiency, being geographically closer to where the action is. We have a new district director, John Schroeder, covering all of East Asia, upon the retirement recently of Joe Sureck. And John, who had been the officer in charge in Bangkok, has been elevated to district director.

We have a new officer in charge in Hong Kong, Ronald Boggs. Ron had worked very closely with all of the units that I have mentioned and knows the program; he has worked closely here in Washington, and, I think, brings a great deal of expertise over there, also.

So we think both the geographical change and the personnel will greatly improve the operation, and continue to improve it, which is going well. We also have a full-time officer working with the Orderly Departure Program in Bangkok.

Also, the interviewing techniques, we think, with some good management and training, have been improved, and that this will continue to benefit us downstream.

I might turn and finalize with one item that relates, of course, to the refugee consultations, and that is the asylum procedures. We are very pleased. We informed the committee a year or so ago that we intended to make progress in reducing backlogs of domestic asylum cases.

We have made very significant progress in that area to eliminate this backlog, as we had promised. Starting this current fiscal year, we had a backlog of over 45,000; that is, aside from the Cubans and the Haitians. We have reduced that backlog in this year to approximately 18,000. We have had about 20,000 new receipts. We have processed 40,000. So we have reduced the old backlog by about 20–

25,000, down to 18,000, and we hope to have another 10,000 knocked off that by the end of this fiscal year to bring it down to a very manageable area.

And I want to compliment Elliott Abrams, who has left. His group has done an outstanding job in working with us and the immigration judges in working with us to help do that. But, primarily, it is the field people at INS that have put a lot of time and effort to reduce that backlog—Diana Zanotti here, who directs the program, and Jean Lujan who works as her assistant, Doris Meisner, and others in INS, have really devoted a lot of effort to this very important reduction, and we are very pleased with it.

So in conclusion, Mr. Chairman, I am pleased to be here with these other representatives. I think we have a very good story to tell. Ambassador Douglas has arrived, so I will end my testimony. Thank you.

[The prepared statement of Commissioner Nelson follows:]

Prepared Statement of Alan C. Nelson

I am pleased to appear before the Committee today to discuss the Administration's proposal for refugee admissions for Fiscal Year 1985.

The FY 1985 consultation numbers consist of a total of 70,000 refugees admitted. Within this overall ceiling of 70,000, the President is proposing a new separate ceiling for admission under the UNHCR Orderly Departure Program (ODP) from Vietnam and some adjustments in geographic ceilings. The proposed admission ceilings for FY 1985 are:

- 40,000 for East Asia
- 9,000 for Eastern Europe and The Soviet Union
- 5,000 for the Near East and South Asia
- 3,000 for Africa
- 3,000 for Latin America and the Caribbean, and
- 10,000 for the UNHCR Orderly Program in Vietnam

for a total of 70,000 worldwide.

The INS overseas refugee operations for Fiscal Year 1984 have been harmonious and productive. As evidence of our production, INS statistics show that our offices conducted over 81,000 refugee interviews the first ten months of this fiscal year. As a result of these interviews, and many more conducted in Fiscal Year 1983, we anticipate that approximately 71,000 refugees will be admiitted to the United States under the Refugee Act by the end of this fiscal year.

From the INS perspective, it has also been a year of increased cooperation among those agencies, both private and public, which are responsible for carrying out the U.S. program. To a large degree, we believe this fact is a result of the adoption last summer of worldwide guidelines for refugee processing. The guidelines have increased the consistency of the decisions and encouraged communications among the players. The recent Southeast Asian Refugee meeting attended by representatives from INS, the Departments of State and Health and Human Services, and the voluntary

agencies working in the field clearly demonstrated the interagency cooperation which now characterizes the U.S. Program. The accomplishments highlighted at the meeting are the result of joint efforts and the problems discussed are ones to which we are together seeking solutions.

In addition to implementing the worldwide guidelines, we have placed major emphasis on improving our overseas and refugee operations through a series of management improvement measures. These measures include eliminating temporary duty officers and staffing our overseas ports with officers assigned for two-year tours at a minimum. Secondly, we have instituted required language, area studies and related training through the Foreign Service Institute for all overseas office personnel. For the first time, INS now has officers serving in Southeast Asia and other posts who have received intensive language training and area studies prior to entry on duty. As openings occur throughout the world, similar basic training and orientation will be provided. Finally, we have implemented a regular rotation policy for overseas personnel that calls for maximum tours of five years overseas, except in unusual circumstances.

Fiscal Year 1985 presents INS with numerous new challenges for the Refugee Program. Among them are the review and update of the worldwide guidelines. Input on the guidelines, including recommendations for changes, have already been sought, and we are presently obtaining updates of country-specific information from within the government and from reliable non-government sources.

INS has moved its District office from Hong Kong to Bankok, Thailand in June 1984. We have appointed our Bangkok Officer-in-Charge, John Schoeder, as District Director for the Asian region and have appointed a new Officer-in-Charge, Ronald Boggs, for our Hong Kong sub-office. We feel that this geographical change will greatly improve the operation of the Refugee Program.

In addition, INS has a full-time officer working with the orderly departure program in Bangkok. We believe that INS screening at the front-end of the ODP Program will aid in insuring that

its beneficiaries are those of refugee interest to the United States.

Finally, it is our challenge to continue the efforts made this past year to provide our officers with the necessary tools to render quality decisions-tools such as improved interviewing techniques, quality country-specific information and adequate supervision in the field.

The Refugee Act also contains provisions relating to asylum, an area of concern to all of the United States. Noteworthy progress has been made at INS to eliminate the asylum case backlog as promised last year in our consultations. We began this fiscal year with a backlog of approximately 45,349, not including Cuban and Haitian applicants. With receipts remaining fairly steady at about 2,100 per month, we have succeeded in reducing our backlog to approximately 18,960 at the end of July of this fiscal year. We are hopeful that our goal of eliminating the asylum backlog will be reached by October 1. We will then be able to maintain currency in processing asylum applications and plan on a processing period of four months for handling individual asylum claims.

In conclusion, let me emphasize that we have made a major effort to upgrade and improve our management of the refugee and asylum program. I am proud of our accomplishments to date. At the same time, we are committed to continuing program improvements and look forward to a year of continued cooperation with this Committee.

Thank you.

Senator SIMPSON. Thank you very much, Alan. Indeed, you have been right here in the front of all of this activity in your time here, and served with real distinction, in my mind, in a terribly tough arena. And I know that Joe Sarek has been replaced—a very able person, in my mind, who took plenty of hot flak himself out there. And yet somewhere along the line, we have to recognize the tough decisions between refugees and economic migrants. We have to do that on an honest basis as a country and not be stampeded into blurring that distinction. And if we ever do blur that distinction,

well, I will let you conjecture on that rather than me because you will be more overwhelmed than I.

Concerning the Orderly Departure Program, though, how many individuals have been denied refugee status once they arrive in Bangkok?

Mr. NELSON. I understand, Mr. Chairman, that there have been none that have been through at this point that have been denied.

Senator SIMPSON. Of course, it would be ideal if Vietnam allowed us face-to-face interviews in Hanoi. That will likely not come, but certainly is going to change with regard to the reeducation camp issue. I do not know what that will be. This committee will be very interested in observing what that may come to be.

I might ask what improvements in the worldwide guidelines for refugee processing do you anticipate will be necessary?

Mr. NELSON. First of all, Mr. Chairman, we do think, as I mentioned in the testimony, that the guidelines have worked well. Like anything, they are not magic. They do not solve all problems, but they have helped to better collate information and procedures, and we think they have been effective.

Like any piece of paper, they need to be constantly updated and looked at, and that process is an ongoing one. We are receiving suggestions not only from the INS people, but other people that have worked with them.

I might emphasize, because sometimes there is some confusion, the guidelines are just that; they are guidelines, and the categories thereunder are a matter of assistance. They are not automatic. There is still a case-by-case processing and a two-step processing under the matter.

Now, as far as the particular aspects of the guidelines, there are several that focus on particular things. Some of the religious issues, I think, need better refining, and some of the unaccompanied minor issues, members of households, are areas that need fine tuning.

We think overall the guidelines are pretty good and will continue to be good, but we are committed, of course, to making them an ongoing, effective tool.

Senator SIMPSON. You mentioned in your remarks, and then you just mentioned case-by-case handling. In your remarks, you talked about interviewing techniques, and in that regard are we continuing the consideration of refugee applicants on a careful case-by-case basis?

Mr. NELSON. Yes, we are.

Senator SIMPSON. Is that what you are up to?

Mr. NELSON. Yes, sir.

Senator SIMPSON. And you are doing that faithfully?

Mr. NELSON. We are.

Senator SIMPSON. I think that is important so that we, then, in Congress who have to set the limits on refugees know that they are refugees, and may be sure that those who are receiving the very limited slots that are available as we set that—that those people then are true refugees in every sense of the word under the Refugee Act of 1980. And you feel that is your commitment, is that correct?

Mr. NELSON. It is, sir; it is our commitment, and we believe it is being carried out.

Senator SIMPSON. Have you developed categories and guidelines for other parts of the world similar to those you have developed in Southeast Asia?

Mr. NELSON. No, we have not, but that is a matter that is under review. We have not gotten to that point. We would see, downstream, hopefully, doing that.

Senator SIMPSON. And have the management improvement measures you mentioned in your testimony been successful at all in improving your overseas operations?

Mr. NELSON. We think they have, Mr. Chairman. Again, some basic management things—we think a rotation policy makes sense, so people are not over there too long, on the one hand. To be sure that we have permanent personnel as much as possible rather than just temporary, detailed personnel all makes for good management.

We think the move of the office to Bangkok is helpful for a number of reasons in being closer to the scene, will save some money. The question of training—we certainly have improved the training of personnel before they go overseas, working closely with the State Department, through many of their training courses.

All of us, we think, have made a much more efficient and long-term, effective operation.

Senator SIMPSON. You have heard me—it would not be untoward to refer to the description of rail about asylum and what has happened with asylum and how that has been gimmicked, and so on. And now you indicate you have achieved your goal of eliminating the asylum backlog, or rather you will in the next few weeks, perhaps prior to October 1, 1984. Is that goal attainable?

Mr. NELSON. Well, we will get close. We would say 90, 95 percent of achievement; as I say, hopefully down to 8,000 to 10,000 backlog by that time. We think that is a very dramatic achievement. We do not want to rest on the laurels because there is a lot more to be done.

Of course, the conference you will be moving into quickly on the immigration reform bill is a key element to get some improved legislation in that area. But we have worked effectively with, as I say, the Human Rights and Humanitarian Affairs Bureau and with the immigration judges to move and improve the procedure, but the legislation will greatly help.

Senator SIMPSON. It is interesting. In the great fire storm around immigration reform, you do not hear it said that hopefully with the conference committee and with the approval of the House and the Senate, then, we will not have to deal with about 125,000 asylum applications of Cubans and Haitians. Is that not interesting how they get lost in the babble?

Mr. NELSON. That is right.

Senator SIMPSON. Yes, it is to me, I can assure you.

Mr. NELSON. That is, of course, true in the figures we gave. We excluded the Cubans and Haitians.

Senator SIMPSON. That is right.

Mr. NELSON. There are 140,000 or some odd numbers there that we are presuming that between the reform legislation and the Cuban Adjustment Act of 1966, they can and will be dealt with.

But without legislation, some of those numbers will be back to deal with.

Senator SIMPSON. Well, without the immigration reform legislation, we will have to have special legislation to deal with 125,000 human beings who could be handled very nicely under the present situation.

Mr. NELSON. Absolutely correct.

Senator SIMPSON. Yes, yes, yes, I remember that.

Well, I think those are the questions I have. There will be some further questions submitted by the ranking member of the subcommittee, perhaps, or other members of the Judiciary Committee. And I thank you very much for your appearance, as always. Thanks, Al.

And now, Alan, you will be now replaced by Eugene Douglas, the U.S. Coordinator for Refugee Affairs. I assume that you just returned from the House of Representatives.

Ambassador DOUGLAS. I have been over on the working side of the Congress.

Senator SIMPSON. Let the record disclose a grotesque error there. [Laughter.]

Ambassador DOUGLAS. Chairman Rodino told me to say that.

Senator SIMPSON. Well, that is all right then. [Laughter.]

Peter and I will be working very closely in these next few weeks and enjoying it thoroughly, and he is a great guy to work with.

Well, it is good to have you, and you, again—as I said to Alan Nelson, you have been grappling in a very tough arena. Certainly, as U.S. Coordinator for Refugee Affairs, it is indeed that, and I have come to learn of your skills, as I have of Alan's.

And we would like to hear your review of the situation as we come to this annual refugee consultation process, please.

STATEMENT OF H. EUGENE DOUGLAS, U.S. COORDINATOR FOR REFUGEE AFFAIRS

Ambassador DOUGLAS. Thank you, Mr. Chairman. I have a prepared testimony which I would like to submit for the record and, with your permission, make some additional comments and then take whatever questions you and the members of the committee might have.

Senator SIMPSON. Very well. Without objection, your full statement will be entered in the record.

Ambassador DOUGLAS. This is my third meeting in the annual consultation series with your committee. For me, it is a slightly bittersweet one because, aspiring to greater regional stability and improvement in the internationalization, we had hoped to come in this year closer to a 50,000 level than we did to a 70,000 level.

Unfortunately, the situation in several regions of the world makes it impossible, if we are at the same time to live up to our political, humanitarian and moral responsibilities.

Looking ahead, however, to 1985, 1986 and 1987, and in working with you and with your colleagues on the House side to continue to improve our ability to manage both the national and international organizations dealing with refugee and the asylum movements

around the world, we continue to have the essential optimism that we are going to continue to make progress.

Looking into 1985 and 1986, we know that we have a task to help the U.N. High Commission for Refugees, the Intergovernmental Committee on Migration, the International Committee of the Red Cross, and several other key international organizations to improve their management, their staffing, and bring them, as well as our key participants and collaborators around the world, along in a common system of helping to alleviate the need for resettlement, but making available in the regions the finances and the opportunities for self-sufficiency and longer term stay in regions before they can be repatriated.

On the repatriation side, one of the clearest messages that has come to us from the consultative group on refugees that we helped create has been Canada's, Australia's, France's, Japan's great interest along with ours, and I know this committee's, in viable voluntary repatriation opportunities in several regions of the world.

We have found that the international legal structure and the international organizations needed a restart time to get back into the mode of thinking and dealing with repatriation. As we look at repatriation in the Horn of Africa, as we have tried to do it in the past 12 months with the High Commission's program, as we have observed and encouraged the High Commission's program of repatriation back to Laos, we find that we need different skills and different monitoring techniques in order to assure ourselves and to assure those who may be willing to repatriate that there will be an orderly and safe transit for them in these programs.

On the domestic side, which took up most of the time this morning in my testimony with the House of Representatives, we are seized with the importance of continuing to improve the sense of sponsorship and the programs that would encourage earlier self-sufficiency for refugees around the country.

As you may have heard already in earlier testimony this morning—and if not, will certainly hear later from Dr. Hawkes himself—while the national dependency rate for time-eligible refugees has declined marginally to 54 percent and, in the absence of California, would be about 36 percent, California, because of its size and its refugee population and its own dependency rate of 89 percent, puts us way back up there.

We find that from the administration's point of view, while we have programs—indeed, some initiatives managed by Health and Human Services and the improvements in the resettlement and placement grants under the management of the Department of State—while we can continue these programs and make marginal improvements, in the absence of a reauthorization of the Refugee Act, we are not going to have the flexibility we think we need in order to make significant improvements in the national program in the years ahead.

All of us who have been working in the executive branch with you, your staff, and with the other members of the committee feel that there is going to be a continuing need for at least a decade for refugee resettlement and the management of asylum.

The work that you and your colleagues have done on immigration reform has been commendable, and we continue to support the

passage of that legislation very strongly. But by the same token, we would like to see movement on the reconciliation of the Senate and the House on refugee reauthorization, recognizing even as we do the difficult time constraints that you are working under.

Thank you, Mr. Chairman.

[The prepared statement of Ambassador Douglas follows:]

Prepared Statement of Ambassador H. Eugene Douglas

Mr. Chairman and Members of the Committee:

I am pleased to be here today to consult with you on the Administrations's proposed refugee admissions numbers for Fiscal Year 1985. The President's final determination will await your comments on his proposal.

This is my third opportunity as the U.S. Coordinator for Refugee Affairs to formally consult with the members of this Committee. Once more, I wish to express my sincere appreciation to those of you who have worked with me and other members of this Administration on refugee issues over the past several years. We have made progress. My colleagues and I throughout the Administration take pride in a record of solid achievements at home and abroad during the past three years. We expect to continue this record of accomplishments in the years ahead.

Later in this hearing, my colleagues will be presenting a detailed justification for the FY 1985 refugee admissions ceiling of 70,000. Although next year's admission numbers remain relatively high, the need for this degree of involvement on the part of the U.S. is compelling. I believe our recommendation is consistent with the country's overall domestic resources as well as our foreign policy concerns. No less important, it is in keeping with our traditional humanitarian efforts to assist refugees.

Since assuming office as the President's Coordinator for Refugee Affairs, I have had a unique platform for observing the causes of refugee generation and the debilitating economic and political impact that massive flows of people have on the basic stability of governments and entire regions. Refugees have always been with us, but increasing political strife and use of force and terrorism by the USSR and its surrogates in the last decade has touched Europe, Africa, Asia, and now even our own hemisphere, causing millions of people to flee their homelands to seek a safe haven in neighboring countries. More people are currently involved in international movements than at any time in the past. Human beings are fleeing to countries which can barely afford to even care for their own citizens. The problem at times is staggering. In the recent past, we have seen Cuba and Vietnam raise the stakes in this cruel game by carrying out mass expulsions of the so-called "undesirable elements" of their societies.

In El Salvador, in particular, I am concerned that if the communist guerrillas are successful in their heightened efforts to demoralize and terrorize civilians, and ultimately to overthrow the democratically elected government, that it too will become a major refugee generating country like Ethiopia, Afghanistan, and Vietnam. At the same time, Nicaragua has been quite content to see masses of their own people flee to become a burden on Costa Rica, Honduras, and other regional countries.

To meet the humanitarian needs of victims of aggression in this region, we have budgeted more than $35 million for humanitarian assistance programs for refugees and displaced persons in Central America, and we are working through international organizations, private voluntary agencies, and host governments to direct assistance programs to the needs of these people.

Group demands for refugee status and resettlement, as well as individual appeals for asylum, will continue to be an important issue in our domestic and foreign policies. We have had to make difficult decisions during the past year on refugee issues, and there are signs that complex, exacting decisions will continue to be required in the years to come.

The number of people seeking refugee status as a precondition for permanent resettlement in Europe and the United States is growing. As you are well aware, requests for resettlement in the United States reached such proportions that an elaborate priority system had to be implemented to maintain control over U.S. admissions. Even so, we continue to be the most generous country in the world when it comes to refugee assistance. We have accepted more refugees for permanent resettlement than all the Western countries combined, and we continue to provide more assistance to international organizations concerned with helping refugees than any other nation.

The United States reaffirms its willingness to assist the nations of first asylum and to accept into this country our fair share of those needing resettlement. Ultimately, though, the fundamental solution to the world's refugee problem is not voluntary repatriation or resettlement, but a reversal of the current international political climate which has seen a shrinking number of countries that allow their citizens basic human rights and dignity.

One of our most important objectives has been to ensure continuing international support for refugee relief and resettlement. In this regard, we have successfully pursued a number of important initiatives this year. The Japanese-funded expansion of health and medical care programs at the Philippine Refugee Processing Center began operating earlier this year. Japan has made a major contribution to our resettlement program by assisting us in our efforts to ensure that refugees have access to substantial health care prior to their arrival in the United States. We intend to utilize fully this major new medical and dental facility as an integral part of overseas refugee processing in the coming years.

In our efforts to strengthen internationalization, we have continued to support the Consultative Group on Refugees. This group consists of the United States, Japan, Canada, Australia, and the United Nations High Commission for Refugees (UNHCR). At an informal meeting in Geneva in July, the Group was expanded to include Great Britain, France, and the Federal Republic of Germany. I anticipate that the third meeting of the Consultative Group will be held later this year. Issues of major concern to this group continue to be the overall refugee situation in Southeast Asia, third country resettlement, voluntary repatriation, and the operation of the Orderly Departure Program (ODP) from Vietnam. We are convinced that the Consultative Group will improve our efforts to effectively deal with many of the complex problems of the Southeast Asian situation.

In March of this year, I accepted an invitation from the People's Republic of China (PRC) to visit Beijing for discussions on refugee and humanitarian issues and to visit Vietnamese refugee settlements in southwestern China. I was pleased for the opportunity to discuss the plight of refugees and believe my visit heightened awareness within the PRC regarding world attention to refugee concerns and refugee-generating situtations. I was encouraged by official PRC interest in refugee questions and by their efforts to integrate

the 270,000 refugees of ethnic Chinese origin who have been resettled from Vietnam since 1978. I have suggested that the UNHCR consider an expansion of the present international assistance to the PRC in the hope that increased funding will create an incentive for the PRC to accept those Indochinese who voluntarily desire resettlement in the PRC. In addition to helping the PRC's resettlement efforts, UNHCR funds might also encourage the PRC to become more involved in the mainstream of international efforts designed to bring an end to refugee-generating conflicts and to assist refugees. In its own small way, this visit helped to lay the foundation for improved cooperation in Southeast Asian refugee assistance efforts. I intend to visit PRC again in the fall for further discussions on these matters.

As Secretary Shultz noted in his testimony today, we are proposing a new initiative to obtain the release of "reeducation camp" prisoners and to speed up the departure of Amerasian children from Vietnam. These unfortunate refugees have suffered far too long at the hands of the Vietnamese authorities. It is time that the Vietnamese Government matched their rhetoric with responsible and compassionate action. We are prepared to process these refugees through the UNHCR's Orderly Departure Program -- a program designed to facilitate legal departures from Vietnam. We are hopeful that, through the UNHCR, we will be able to arrive at an agreement with the Government of Vietnam that will allow these people to leave in a safe, orderly, and humane manner.

We look with satisfaction at the progress UNHCR has made in improved management and program implementation and the rate of expenditures during the last year. A more careful U.S. disbursement of funds has resulted in fewer U.S. dollars sitting in interest-bearing accounts of international organizations and agencies.

Better UNHCR management has also resulted in improved early analysis of problems in time to chart an appropriate course of action. In addition, the UNHCR Executive Committee has become a stronger, more responsive body than it was three years ago.

The UNHCR's Second International Conference on Assistance to Refugees in Africa (ICARA II) held in Geneva in July focussed on improving the ability of African countries of asylum to provide safe and humane refuge as long as required. The U.S. record on contributions to African refugee programs demonstrates our strong commitment to respond to the needs of the people and countries of Africa.

Within the Administration, the Senior Interagency Group on Refugee Policy (SIG/RP) has been my mechanism for ensuring that important refugee policy and program issues requiring interagency attention receive full, prompt and careful consideration.

There are other U.S. initiatives taking place throughout the world today, such as our involvement in assisting the Ethiopian refugees in the Horn of Africa and the millions of Afghans living in Pakistan. Mr. Purcell will discuss these international programs in detail. For my part, I wish to focus your attention on the refugee resettlement situation here in the United States. As you know, improving the effectiveness of our domestic resettlement program continues to be an important goal of this Administration.

Indochina Program since 1975

Since the inception of the Indochina program in 1975,

domestic resettlement has changed in important ways, most particularly in the area of public and private sector relationships. The initial framework of our domestic program was established in 1975 after the fall of Saigon when 135,000 Southeast Asian refugees, primarily from Vietnam, were airlifted into the United States. At that time public awareness and private initiative contributed to the rapid placement of these refugees from four domestic reception centers into American communities. Churches and individual citizens played the crucial sponsorship role, assisting refugees in the difficult resettlement process. Volunteer time and financial support flowed generously from individuals and religious congregations to this new group of Americans. Public assistance programs played a relatively minor role.

In 1975 President Ford appointed an Interagency Task Force of Government Agencies to work with the private resettlement agencies and state and local governments. That Task Force operated for nine months. Its activities were transferred in January 1976 to the Department of Health, Education, and Welfare (now the Department of Health and Human Services), which has been the focal point of our domestic program ever since.

The refugee population in 1975 was relatively well-educated and had experience with Western cultures. Most were former officials of the South Vietnamese Government or had been affiliated with the U.S. Government or American businesses. Many had studied in Western countries for at least part of their education. These refugees were resettled across the country with concentrations in the communities and states in which the refugee reception centers had been located.

Our national resettlement policy during this period was to emphasize private sector responsibility. States and public assistance programs had a limited supporting role when sponsors were unable to meet their obligations. In the event a "sponsorship breakdown" occurred, a refugee could apply for and receive cash or medical assistance through the states, which would then be reimbursed at 100 per cent of the cost by the Federal Government. Public assistance use in the initial program was low. Enthusiasm, volunteer support, and private contributions were high. It was clearly understood that public assistance was secondary to the principal role of the private sector. Private resettlement agencies, sponsors, and comunity-based organizations worked together to help refugees find jobs, learn English, and begin new lives for themselves and their families.

The nature of resettlement began to change between 1975 and the crises of the "boat people" and Cambodia during 1979-80. It changed because of the gradual institutionalization of the "last resort" public assistance programs that had been introduced in 1975.

For example, concern about medical problems among refugees in 1975 moved the Congress to authorize eligibility for medical assistance funded through state governments. This important safety net had the unwanted effect of emphasizing the public welfare system even though Congress intended that access to public programs be available only as a last resort. While many refugees were using public cash and medical assistance programs by 1977, it was a less expensive and less "addictive" welfare use than what we have experienced in some states in the past few years.

In these years Americans began to debate the issue of using the public welfare system as the vehicle for refugee resettlement, with strong opinions emerging on both sides of the question. Because the Federal Government paid 100 per cent of the costs associated with refugees in this unique program, and because cash and medical assistance reimbursements to states had no time limit, state government concerns about minimizing access to refugee public assistance was minimal.

To encourage private initiative, and because there was a large job to be done quickly, the Federal Government in 1975 provided an incentive grant of $500.00 per refugee to private voluntary agencies. The precedent for such a payment had been established in the Cuban progam of the 1960's in which the Federal Government provided a small grant to help with private agency administrative costs. In the 1960's and 1975 these grants were regarded as "seed money" which would stimulate countless private volunteer hours, in-kind contributions, and cash for the refugee program. The long-term effect of what came to be known as Reception and Placement (R&P) Grants, however, was to change the focus of private resettlement agencies from sponsorship and private resource development to managing professional social work staffs.

During this same period of time, public perception toward refugees and resettlement began to change. Because of the 1979-80 publicity of refugees suffering on the seas and in camps abroad, a perception grew that refugees were arriving in poor health, with lower levels of education, and were therefore unable to work immediately. Many felt that the new arrivals were trauma victims in need of a period of recuperation, long-term language, and social service programs. Equally important, many refugees and their sponsors and advocates believed in the desirability of all refugees "leaping into the middle class."

By early 1979, it had become increasingly obvious that there were structural flaws in our refugee programs:

-- Many people wanted to see the U.S. definition of "refugee" changed to the definition used in the United Nations' Convention and Protocol.

-- There was a pressing need to provide permanent statutory authority to allow for the entry of large numbers of refugees instead of continuing to use the Attorney General's parole authority for admissions.

-- Annual authorizations and appropriations for refugee programs were not forthcoming in a timely way, resulting in constant funding interruptions in domestic programs.

-- Responsibilities and authorities of resettlement agencies and state governments were increasingly in conflict; as new refugee initiatives were set in place, it was not clear whether they would be more effectively managed by national resettlement agencies or state governments.

-- Welfare and other costs continued to rise, as did the percentage of refugees receiving cash and medical assistance.

After extensive debate on these and other issues, Congress passed the Refugee Act of 1980. The Refugee Act made many

important improvements in our refugee programs. It provided permanent authority to work with international organizations to respond to international crises, and provided a stable Federal structure to manage the domestic program. It removed ideological biases from our admissions policies and established broad policy goals for our domestic and international refugee programs.

Prior to the Refugee Act, both states and resettlement agencies were generally satisfied with their relationship with the Federal Government and their respective roles. In large part this was because the Federal Government paid the costs of the program for an unlimited period, and because each group was able to see itself as having the primary role in the refugee program. Problems associated with domestic resettlement were regarded as concomitant with the high refugee flows of the period. It was believed that those problems would be resolved in time.

The Refugee Act formalized the role of state governments as providers of refugee cash assistance, medical assistance and social service programs, and set the stage for conflict between the goals and interests of resettlement agencies and states in the years ahead. As the Congress and the Nation became concerned with high welfare dependency rates, state refugee programs and resettlement agencies began to blame each other for the situation and were unable to work cooperatively to do anything about it.

For a number of reasons, Congress wrote the Refugee Act to limit the Federal obligation to reimburse state public assistance costs to three years. This caught the attention of states, who became responsible for the states' share of assistance costs for dependent refugees after the three year period. Because high resettlement volume from 1979-82 had severely strained the abilities of the resettlement agencies, Congress began to view them as contractors who were not meeting their obligations adequately, and who needed to be monitored carefully. This was a significant change from the 1975 notion of Government making a seed contribution to private, voluntary resettlement. New concerns arose both about the effectiveness of voluntary agency services and the effectiveness of social services provided through state programs. There was pressure from the Congress for the Government to treat states and resettlement agencies in a tougher and more similar fashion for purposes of accountability. New specificity began to appear in the Department of State's cooperative agreements with resettlement agencies. There are continuing interagency efforts to improve the effectiveness of the R&P Grant cooperative agreements. In this regard, I have asked that a working group review several aspects of the R&P Grant issue for later consideration by the SIG/RP. This should take place sometime this winter.

In drafting the domestic portion of the Refugee Act, Congress attempted to improve the deficiencies of the refugee program as they saw it in 1979-80. The role of state-run public assistance programs was made more explicit. But at the same time, Congress continued to emphasize the essential role of the private voluntary sector. The Refugee Act Amendments of 1982 reflected increased Congressional efforts to make the domestic program more accountable. Since enactment of the Refugee Act of 1980 and passage of the 1982 Amendments, ambiguity surrounding issues of primary institutional responsibility and the gap between public and private program objectives has grown. These fundamental issues have been

debated extensively both within the Congress and the Executive Branch. The debate continues, but the central questions of program responsibility and resettlement objectives have not been resolved.

Institutional Relationships

The governmental and private institutions involved in refugee resettlement continue to have often differing resettlement philosophies and ideas of their roles and objectives in domestic services.

The Federal Government views its role as the steward of public funds, responsible for overall policy direction in the refugee program. In interpreting the Refugee Act, the Administration views the primary objective of the domestic refugee resettlement program as achieving rapid self-sufficiency, with emphasis on early employment. Since 1975 the Federal Government has provided the lion's share of the funding for state-managed public assistance, medical assistance, social service programs, and for resettlement agency programs. We expect public and private recipients of Federal funds to work independently through their own networks and systems to achieve this goal with minimal Federal direction and oversight. Unfortunately, this approach has not worked as well as we anticipated because of the conflicting priorities of the institutions involved in refugee resettlement. Moreover, the Federal Government does not exercise direct control over those state public assistance programs which are being utilized for refugee resettlement, nor would a change to full Federal control be helpful in my view.

State governments often view their programs as the only resource for assisting refugees, unaware it seems, of the private resources available to refugees. In fact, state welfare bureaucracies often resist working with private sponsors and voluntary agencies. In a few instances, states operate what I view as a welfare maintenance system and become concerned with refugee independence and self-sufficiency only at the point when a refugee approaches the end of the three-year period of eligibility for 100 per cent Federal reimbursement. Some key states distribute Federal refugee funds to contractors or counties on a formula basis, with little or no oversight or required specific program objectives. The Federal Government and the states currently allow a broad range of "employment-related" support services ranging from long-term English language training and vocational training to translation services, information, outreach and referral, and other programs aimed at long-range adaptation of refugees to American society. Some state programs have not been successful in focussing these services on achieving self-sufficiency through employment within a reasonable period of time. The effectiveness of state programs often depends on local managerial talent and community initiative in the absence of clear objectives from state capitals. In brief, the success of state-managed refugee programs is mixed. Some states have effective refugee programs; other do not.

Role of Voluntary Agencies

The historic role of voluntary agencies has been to rescue refugees from life-threatening situations overseas. Prior to 1975, the national resettlement agencies limited their definition of "resettlement" to placement of a refugee in an American community. Community organizations would then assist the refugee to become self-sufficient with the support of local

voluntary agency affiliates or local service agencies. Unfortunately, continued funding of state-run programs has brought resettlement agencies into a competition with states which they cannot win. Over 85 per cent of Federal expenditures for refugees during their first three years is spent through state structures. This situation has effectively driven traditional sponsors out of their former preeminent position in the refugee program. The range of allowable services in the Department of State's Reception and Placement agreements with resettlement agencies has given the agencies an appearance of broad responsibility for resettlement that they have little ability to fulfill. Their resources are often dissipated on half-measures, including competition with welfare institutions for influence over the decisions of refugees.

Resettlement agencies depend on the quality of their local affiliates and increasingly on the ability of those affiliates to successfully compete for refugee funding from states. National agencies believe the solution to their problems rests on the transfer of Federal funding from welfare and state programs to their own case workers. States see the agencies as varying greatly in the quality of their work, and often ineffective. The Federal Government sees them as an important potential resource, but continues to invest the bulk of its funds and authority in state governments -- a curious approach for an investor who should seek a high return on taxpayer expenditures. The Administration believes that a higher priority for resettlement agencies should be to rejuvenate private sponsorship and expand contacts with the business sector instead of engaging in a contest for Federal funds to maintain private social service bureaucracies.

Since 1975 the work of private sponsors and local affiliates of resettlement agencies has been the key to successful resettlement. Sometimes these affiliates are networks of experienced volunteers; sometimes they are seasoned agency staff, specializing in cross cultural education and communications, housing, employment, and language services. They are a seasoned, capable resource which is vital to durable refugee resettlement. They have roots in local communities and have, in the past, influenced state and local governments -- an important key to the continuing education and understanding of our national refugee program at the state and local level.

Today, it seems as if private sponsors, who are not themselves recent refugees, have become the lost orphan of refugee resettlement. Without established sponsors, our private refugee system is merely another welfare bureaucracy in which the crucial role of individual support and assistance is lost. Most sponsors of refugees today are either recently arrived relatives who are hard-pressed economically, or themselves receiving public assistance. Also, some of our resettlement agencies place too high a priority on using their available resources to invest in paid professional staff rather than in volunteer recruitment and training. The citizen/church group sponsoring refugees because of their humanitarian commitment and bringing to bear the private resources of a community on the needs of a refugee family is today increasingly neglected within the total program. This is directly related to the welding of the refugee program to public welfare in recent years. Sponsors feel they have lost their role to Government; nor are they adequately called upon to help by voluntary agencies or by state governments. Bringing sponsors back into the program should be a top priority of Government policy and resettlement agency action. Yet the national debate continues to focus on the allocation of

Federal dollars to states or resettlement agencies, neither of whom regard private sponsors as very important to successful refugee resettlement.

Refugee self-help organizations in the U.S. have been very important to refugee resettlement in the past. In fact, many of today's voluntary agencies started as ethnic refugee organizations. In the current program, however, refugee organizations generally are allowed to perform only minor, peripheral functions. They are not yet sufficiently active in resettlement programs primarily because they have not been given a substantive role. Their recourse is also to compete for Federal funds and for a foothold in the system. Refugee organizations receive superficial support from other institutions as long as they do not try to take over the duties or funding of the established resettlement agencies or states.

The Office of Refugee Resettlement (ORR) has taken several steps in recent years to build the capacities of refugee organizations and to encourage state programs to contract with these groups for a range of employment and employment-related services. We need to continue work in this direction. In several states, refugee groups formerly funded directly by ORR are now funded through their state governments. We will continue to encourage state governments to invest Federal and state funds in refugee organizations because they are cost-effective service providers, and because we will need their involvement in the national program in the long run. Voluntary resettlement agencies should also be encouraged to seek formal arrangements with refugee organizations to assist in the reception and placement phase of the program.

In this context, I would like to mention the Hmong and other Highlanders from Laos. For over a year, I have had a Special Advisor for Highland Lao Affairs who has been making continuous visits to Highlander population centers. Her brief has been to assist Lao refugee organizations to better organize themselves, to advise them on questions of secondary migration and program planning, and -- as important -- to bring them into regular contact with business people and citizen volunteers. Much progress has been made. I am particularly pleased with our work in setting up pro bono legal assistance to these organizations from top law firms. There have also been promising developments in several states in locating stable job opportunities in private industry

Vast fiscal resources and untold commitment and goodwill flow into America's refugee assistance and resettlement programs. That is good. But given the probability for continued national involvement in refugee matters, we have to face the fundamental issue of whether we accept a welfare-oriented resettlement program in the United States, or create more viable alternatives.

Defining a More Effective Program

There is agreement that the goal of resettlement is to ensure opportunities for achieving rapid self-sufficiency for refugees as working members of the American society. But there is substantial disagreement over what objectives should be supported to achieve this goal. To continue our improvements in the resettlement program, it is important to understand the issues. Let me restate what I believe to be the most important issues we currently face.

1. The principal dispute in refugee resettlement is over

the continuing use of public assistance as the primary resource for assisting refugees. Should the program be reoriented toward less reliance on public programs, or can these programs be made more effective in assisting refugees to achieve the goal of self-sufficiency?

2. There is a continuing dispute over which institutions should have the primary role in resettlement -- state governments or the private voluntary sector. Is one set of institutions inherently more effective in helping refugees to achieve self-sufficiency?

3. Another issue concerns the responsibility for ensuring adequate financial resources for refugee resettlement. Should the Federal Government be responsible for providing all resettlement financing? To what extent should we expect the private sector, states and voluntary groups, to initiate resettlement activities not based on Federal financing?

These are the major issues. There are other programmatic issues, but all relate directly or indirectly to the three broad issues defined above.

I want to be quite clear about how the Administration views these issues. The Administration regards the continuing use of public assistance programs as the primary resource for refugee resettlement as ineffective, uncontrollable, too expensive, and detracting from focus on early self-sufficiency. The Administration believes strongly that the private voluntary sector is best equipped to provide effective and durable resettlement opportunities for refugees. The increased utilization of public programs has substantially reduced private participation and resources in the refugee program. In the interest of the refugees and in our own national interest, continuation of this trend is not acceptable. Although we believe that the Federal Government should provide an appropriate level of financial assistance for refugees admitted into the United States, we do not believe that the Federal Government should continue to finance ineffective public programs which do not directly relate to the objectives of achieving rapid self-sufficiency for the refugees themselves.

Thus, the Administration's objectives in improving the domestic resettlement program are threefold: reduce the reliance on public assistance programs, reinvigorate the role of the private voluntary sector, and reduce the overall costs to the taxpayer of refugee resettlement in the United States.

Let me now suggest some of the programmatic directions the Administration wishes to pursue, in consultation with the Congress, during FY 1985.

The key to successful improvement of the domestic program is the reauthorization of the Refugee Act, which should be passed as soon as possible.

Mr. Lungren has done the domestic program a tremendous service in offering his Amendment to the House version of the Refugee Act Reauthorization. His Amendment, which was weakened in the Senate version of the bill, seeks to clearly charge resettlement agencies with initial authority and responsibility for the refugees they resettle. The Administration continues to support the intent of this Amendment.

Regardless of the outcome of the Senate-House conference, the debate surrounding this Amendment has put the U.S.

resettlement program on notice that the Congress and the Administration are not satisfied with the status quo. We will continue to seek structural ways of breaking the welfare cycle for individual refugees and their families and to improve the transition between the services of the Department of State's contractors and state and local government programs.

For example, the language of the Fish Amendment in the Senate version of the reauthorization will provide us the authority to demonstrate effective alternatives to continued use of public cash and medical assistance programs. We regard this authority as a an important component of our strategy to increase the role of the private sector and to implement a series of initiatives that have been pending for several years. We anticipate undertaking initiatives with both public and private sector alternative approaches under this authority.

Two of the most important promising initiatives are the Refugee Cash and Medical Assistance project in California and replication of the U.S. Catholic Conference (USCC) private-sector initiative in Chicago which was successfully concluded earlier this year. Dr. Hawkes will discuss these approaches in detail. However, I would like to briefly outline the Administration's interest in pursuing them as alternatives to the current public assistance programs.

The Refugee Cash and Medical Assistance (RCA) initiative, currently being considered by the State of California, is an attempt to achieve greater control over refugee assistance within the public assistance program without designing an entirely new approach outside of that program. It is designed to bring greater control over cash assistance expenditures and require participation in employment-related assistance programs.

For obvious reasons, the initial effort to implement this program is focussed on California. About half of all domestic refugee program costs occur in California. Moreover, 85 per cent of the refugee welfare caseload in California is in the Aid to Families with Dependent Children (AFDC) program. This program has not been effective in California in helping refugees achieve self-sufficiency through employment. It remains principally a welfare maintenance program because refugee needs are different than the general welfare population. Extending the RCA program to cover this AFDC refugee population is critical to reducing public assistance costs in California and to increasing the emphasis on employment.

California's adoption of the RCA program for all time-eligible refugees could improve the chances of moving refugees into jobs with less use of public assistance funds. The Administration supports the concept of the RCA program and is urging the California state government to adopt this approach as quickly as possible in coordination with the Federal Government. We expect this approach to have a major impact on refugee use of public assistance in FY 1985 and beyond.

In a major initiative by a voluntary resettlement agency, the USCC and the Archdiocese of Chicago showed that private initiative can be more effective and less costly than public assistance programs. With the full cooperation of the Illinois Department of Public Aid, USCC initiated a resettlement strategy, known as the Chicago Project, that did not require employable refugees to enroll in public assistance programs to receive services directed at employment. For a six-month

period, USCC paid for the cash and medical care needs of refugees sponsored through their local Chicago affiliate, Catholic Charities of Chicago. USCC and the Archdiocese used their own funds, which were supplemented by the Department of State's R&P Grants. According to a report by the independent Refugee Policy Group (RPG), for an average per capita cost of $833.00, 74 per cent of the employable caseload was working within six months. Only two per cent of the caseload was receiving cash assistance in the six-to-twelve month period after their arrival.

A consortium of Chicago-based voluntary agencies is currently discussing with the Federal Government the expansion of this project to include all refugees resettled in Chicago. Although the Chicago Project's proportion of Southeast Asian refugees was smaller than that of the U.S. as a whole, we believe that the results of this project were sufficiently positive to support similar efforts in other parts of the country. This project supports the view that the voluntary agencies, with a sufficient mix of public and private resources, are able to achieve effective and durable resettlement. The Administration intends to continue its support of these private sector initiated demonstration projects.

Another effort to return private initiative to the program is to make better use of the existing program of voluntary agency matching grants. This program has all the elements of a solid partnership between the Government and private groups in the area of developing local sponsorships without massive resort to public assistance programs. We intend to carefully evaluate the matching grant approach in FY 1985.

Finally, we must face the issue of the role of the private sector in the domestic refugee program in the decade ahead. If we have the will to make the improvements in our public and private resettlement programs that I have outlined above, we will achieve some major successes in 1985. These initiatives are crucial to our attempts to rebuild our historically strong and effective national efforts for durable domestic resettlement. Although I am not an exceptionally patient man, I do not believe that we can return the domestic resettlement program to a proper balance overnight. Consequently, I ask for your support as we attempt to achieve, as quickly as possible, a more effective balance between public and private efforts in order to substantially improve our refugee resettlement programs.

Senator SIMPSON. Thank you very much, Ambassador. Let me ask, what is the total number of Indochinese refugees that have been resettled by third countries other than the United States during the past year, and which countries specifically have accepted the most?

Ambassador DOUGLAS. We do not have figures that run through August, Senator. The major resettlement countries out of Indochina remain the United States, Canada, Australia, France, and, to some degree, West Germany.

The last figure that we were able to gain from Australia, Canada and France put the Canadians at about 5,000, the Australians at about 5,000—and these are rounded, give or take a couple of hundred—and the French at a little over 3,300.

Our own program, I guess, through August would be upwards of 55,000 or 56,000. Mr. Funseth might have that exact figure. Despite the fact that we can kind of flail around inside our own feeling

that we are doing a great deal more, I have to say that the intensive discussions and consultations that I have had with my colleagues in Canada and Australia and France over the past year, and particularly with Canada and Australia, lead me to believe that they are going to stay the course with us and that they have, as many have observed, been very, very influenced by the effort that we are making even though it is difficult.

The Canadians have not announced the program. I think part of that has to do with the transitional nature of their Government. The Australians have come out with a very strong program for both first asylum and ODP for next year, and their Minister of Immigration, whom I think you have had a chance to meet, Stewart West, is a strong ally in working toward a more reasonable and rational future program.

Senator SIMPSON. What is the current attitude of the Thai Government toward continuing its role as a country of first asylum, and what have its comments been concerning an expected increase in the U.S. acceptance of the ODP refugees?

Ambassador DOUGLAS. Well, I would have to say that the Thai Government's attitude in the last year, certainly even in the last weeks, has been very positive, very stable, and very flexible with regard to its role in first asylum.

There has been no repeat for probably 2 years of the theatrics that we at one time had observed and had given us all such concern. On the breakout of first asylum versus ODP offtake, it is a reasonable, reassuring statement, at least for this fiscal year, that we are going to continue to work down those numbers.

They understand very clearly that it is in their interest and in ours to create a broad net of takeup within Vietnam for the ODP Program in order to discourage both flows which provide the major new impetus for concern on the part of the Thai Government.

Senator SIMPSON. Let me just ask you this and then we will go on to the final two witnesses on the panel. I know that you have had a great interest in what has transpired in the House on the refugee reauthorization with regard to the creation of a legal and financial obligation for the voluntary agencies.

That was the Dan Lungren amendment, a very thoughtful House Member and ranking member of the subcommittee which Ron Mazzoli chairs, and you have just come from there. How do you respond to the claim that that amendment would expose the voluntary agencies to litigation and a myriad of lawsuits, and what particular strengths do you feel it has that the Senate bill does not include?

Ambassador DOUGLAS. Senator, the subject of the Lungren amendment has been one of the more hotly discussed things, I guess, in the Refugee Program domestically during the past year. You observe correctly that I have been in favor of it; that we have worked to improve the chances for its passage.

I understand that we live in a litigious society. I do not believe that the Lungren amendment opens up the voluntary agencies to lawsuits; they are responsible for very clearly enumerated services.

The 1982 court decision in Pennsylvania and our own recent experience with the U.S. Catholic Conference Program in Chicago

lead me to believe that the voluntary agencies have some protection already from that kind of suit.

I do not expect refugees to begin suing voluntary agencies. The Pennsylvania decision, which I know your staff has studied because it was an important one in our area, stating that the contractual nature for these services did not provide the refugee as the beneficiary any right to sue the agency itself, and the absence of any suits in the Chicago Program, tend to support my own sense that there would not be a spate of lawsuits from the Lungren amendment.

My own preference for the Lungren amendment over the version that emerged from the Senate side is that it is more specific, it is more time specific, and lays out a clearer sense of authority and obligation than the version that your subcommittee produced.

Senator SIMPSON. We have a roll call vote which I must attend, and so let me just ask you a couple of more very brief questions, and then we will recess for about 10 minutes and then come back and have the testimony of Jim Purcell and Phil Hawkes.

How many refugees would you predict that the United States will take in in the next years? Will there ever be a return to the normal flow, as described in the Refugee Act of 1980, which is 50,000 persons? Is that really likely in the near future? How do you see that?

Ambassador DOUGLAS. I have every anticipation and expectation during the second term of President Reagan to be able to sit before this committee and discuss at least a 50,000 annual ceiling.

As far as this coming year, I think, pretty much like this year, where we had a 72,000 ceiling and will take in probably 70,500 or 71,000 refugees—as we have refined our ability to make projections and to gauge the offtake from other countries and the sensitivities of first asylum countries, I would suspect that we will be very close to 70,000.

Senator SIMPSON. Well, I think that is a concern, and again we observe that on the committee where we set a ceiling and it becomes a goal because of the generation of various support mechanisms by various private and public bureaucracies down underneath that push it toward that, and that concerns me.

And there was a thoughtful procedure to put 50,000 in the Refugee Act, and I would hope we could be just as thoughtful in reaching it honestly without building little things down underneath.

Ambassador DOUGLAS. Just trying to get the world to behave, Senator.

Senator SIMPSON. Are you doing that on your own?

Ambassador DOUGLAS. I do it after hours. [Laughter.]

Senator SIMPSON. One other question, Gene. What is the status of the Antipiracy Program in the Gulf of Thailand? Has it been effective at all in deterring the preying upon Vietnamese boat persons? Is there more that we could do there, and are we doing it?

Ambassador Douglas. Well, I think the Piracy Program has been effective. You are never going to be able to judge completely. Piracy is down, but then boat departures are down. The Thai Government has entered into a new and, I think, much more active and assertive phase of its own cooperation with the High Commission and the donor governments.

The program this year, with the full cooperation of the Thai Government, has moved onto land, and they have an assertive and, for them, a very, very, I think, difficult to implement, to agree to—but nonetheless they have a program of a followup of accused suspects or prospective pirates on land.

There have been some arrests and some convictions, and we are very confident that it will continue to bear fruit. It is a tragic issue, but nonetheless one that we have worked at in a workmanlike way.

Senator SIMPSON. Good. We will recess for 10 minutes, please.

[A brief recess was taken.]

Senator SIMPSON. Well, thank you for your patience during that rollcall vote. I know that Jim Purcell is apparently still testifying in the House, and so we have Dr. Phil Hawkes with us, the Director of the Office of Refugee Resettlement of the Department of Health and Human Services.

So we will go forward and have your remarks and then some questions, and perhaps that will conclude the hearing and we can take Jim Purcell's testimony at a later time. If you would please proceed, Phil, we would appreciate it.

STATEMENT OF PHILLIP N. HAWKES, DIRECTOR, OFFICE OF REFUGEE RESETTLEMENT, DEPARTMENT OF HEALTH AND HUMAN SERVICES

Dr. HAWKES. Mr. Chairman, I would like to submit my formal opening statement for the record and just make a few remarks, if I may.

Senator SIMPSON. Yes. Without objection, your testimony will be accepted in full.

Dr. HAWKES. The Domestic Refugee Program is showing signs of stabilization and order. The numbers being requested for 1985 of 70,000 would result in a population of slightly over 200,000 refugees during 1985 that would be within the Federal Government's 3-year window of responsibility. This number is certainly within the service capacity that has been developed over the last 5 years.

Compared to the arrival numbers of 1980 and 1981, the current influx of refugees is fewer in number and better prepared to enter life in the United States. We continue to acknowledge that the flow of over 200,000 Indochinese and 150,000 Cubans and Haitians in 1980 was compounded by increased flows of Indochinese in 1981. This heavy flow caused many strains, economic and social, on impacted communities throughout the country. Our Targeted Assistance Program is aimed specifically at dealing with those populations by enhancing the ability of local governments to attend to their needs.

The Targeted Assistance Program was funded at $81 million in 1983, and another $81 million has been made available in 1984. Together these funds will carry most States through fiscal year 1986 even though we are requesting funds in fiscal year 1985 at a reduced level.

It is too early to ascertain the results that we are achieving through implementation of the Targeted Assistance Program. We have directed targeted assistance funds for administration by coun-

ties rather than States. For fiscal year 1984, States will be delegated authority to review targeted assistance proposals as submitted by impacted counties.

And in working with counties in the development of their Targeted Assistance Programs, we have discovered some rather severe difficulties in dealing with refugees through traditional welfare channels. Primarily, we have discovered that all to often different organizations within a county that have partial responsibility for welfare recipients do not communicate with each other.

As a result, service providers with targeted assistance funds have had to search out their own clientele in many areas of the country. Subsequently these programs were very slow in getting started. Many of them did not even become operational until March or April of this year. Their expenditure of funds has been slower than anticipated.

It will probably be some time after the first of 1985 before we have an idea of just what we are accomplishing. We are trying to work with counties to get over some of these difficulties, but our experience with the Targeted Assistance Program to date, has brought a problem part of the Refugee Program, as into very clear focus. We are critically aware that the Refuge Program currently operated, particularly the cash and medical assistance component, makes it difficult to achieve the intent of the 1980 act.

When the 1980 Refugee Act was framed, it specifically required that refugees receiving Federal assistance under the authority of the Refugee Act also be receiving job preparation, job placement, or English language training concurrently.

In the application of title IV of the Social Security Act to refugees, it has been determined that the majority of refugees today in this country are eligible for the same kind of welfare that other legal residents of this country are eligible for.

Once they are enrolled in those mainstream welfare programs, they are effectively beyond the reach of the refugee program and they are not referred to or required to participate in refugee-specific activities.

This problem stems from the fact that mainstream welfare caseworkers believe refugees to be by and large unemployable, and therefore do not direct services toward them. The result is that refugees come into this country, and once they do get on welfare they are beyond the reach of their sponsors, beyond the reach of the voluntary agencies, and beyond the reach of the social service programs that are funded under the Refugee Act to make them more employable and to direct them into jobs.

We are continuing to promote refugee economic self-sufficiency through a number of program initiatives. We have established favorable resettlement sites and are directing free cases from arriving refugee populations to areas in the country which have low unemployment rates and available housing. One such North Carolina site has 100-percent employment.

The dependency rate, which is perhaps one of the most popular figures to talk about in discussing the success of the refugee resettlement program, has to be considered in two different parts.

Excluding California, we have a national dependency rate for refugees of about 34 percent, which means that of the refugees that

have been in this country for less than 3 years, 34 percent of them are on public assistance.

In California, however, the number is 89.9 percent. When we include California we come up with a national dependency rate close to 54 percent. We have been working with the State of California in the development of a demonstration program intended to reduce the extraordinary reliance of refugees on public assistance, including the administrative disincentives inherent in assistance programs. The State has agreed to implement a demonstration alternative but currently is unwilling to proceed until we have a Refugee Act in place.

Specifically, in the version of the Refugee Act currently being considered by the Senate, the proposed Fish amendment gives us the authority not only to establish demonstration projects, but to also establish requirements for English language and job training as conditions for receiving public assistance. This amendment is critical to our efforts to discourage welfare dependence and encourage opportunities for economic self-sufficiency.

I think at this point I would take questions.

Senator SIMPSON. Thank you very much. I regret that, but we did get caught a bit on that time problem. Let me ask you, Dr. Hawkes, you talk of the Fish amendment, and that is certainly being considered. We are hung up with regard to the refugee reauthorization bill. We have the California delegation in a spirited bit of activity because of the issue of targeted assistance.

We indicate to them, and honestly so, that there will be targeted assistance available. There is evidently some belief that it will not, and I do not think we need it as a line item in any refugee reauthorization bill because we do provide it and we will provide it.

But let me ask you how are targeted assistance funds made available to the States in fiscal year 1983 and fiscal year 1984, and how will they again be made available during fiscal year 1985?

Dr. HAWKES. Mr. Chairman, in 1983 we made $81 million available to the States. In 1984, under a continuing resolution, we are doing the same. Recognizing that the programs got off to such a slow start in addition to the fact that the rate of expenditure of the funds has been so slow, money appropriated in 1983 will see most States, including California, through at least March 1985.

With regard to fiscal year 1984 targeted assistance funds, we have asked for and received a 2-year spending authorization. Those funds will be distributed starting in fiscal 1985 and will extend most States, including the State of California, through September 1986.

At this time, we are not requesting targeted assistance funds for 1986. Rather, I would prefer to gather some sort of data on how effective this program is before we even consider whether or not we want to go on putting $81 million into a new kind of service that is not traditional within the refugee program and was not foreseen as a part of an ongoing Government commitment.

Ambassador DOUGLAS. The curious thing, Senator, it seems to us, is that the State of California, even though with its representatives believing that this is in their interest—that in the absence of the programs that Dr. Hawkes is proposing, the demonstration projects and other things that we need the reauthorization for, they actual-

ly are likely going to be hurting themselves and their constituency in an order of magnitude beyond whatever they would gain from targeted assistance.

This is unfortunate for the State, for the refugees, and for good Government.

Senator SIMPSON. That is very true, and I intend to personally visit with Al Cranston and Pete Wilson on the situation because that is the delay now, and certainly we all get in those situations. I have been in those, but certainly, also, I think it is important to notice that the constituent groups that apparently are bringing the pressure are really not aware of what this reauthorization will do for them.

And I concur with you totally, and I want to share that. If we do not get it, at least we will know why we did not get it and there will not be any options at all about targeted assistance or anything else. We will just be back in the swamps where we have been before with some of that.

This refugee welfare dependency rate, and you speak of it—you used the phrase popular, then you changed that very swiftly—it is something that comes up continually because I think it becomes an irritant to many in Congress of both parties.

But the dependency rate of 53 percent has held steady for about the last 3 years. Does that rate go down significantly the longer the refugee lives in the United States, and do you anticipate the overall 3-year rate going down in the near future?

Dr. HAWKES. To the first question, yes, the dependency rate goes down the longer the refugees are resident here, and there have been a number of studies conducted over the last couple of years that show that refugees achieve not only self-sufficiency, but income parity with similar groups of Americans. They contribute taxes and become very good citizens.

But we do not have as much hard data as we would like because there is really no reason for a State or county to keep track of refugees on welfare once they have passed Federal responsibility limits of 3 years. Refugees are under the same public assistance programs as other citizens. A refugee's ability to achieve economic independence is largely based on his or her background. Some highland Lao tribes, for instance—Lao people, rural people from Kampuchea and others—have a more difficult time of being assimilated or becoming self-sufficient.

Our targeted assistance program is directed at these refugee populations in addition to our social service money. The $72 million in social services money allocated during 1984 may also be expended on time-expired refugees. There is no regulation that requires that social service funds only be expended on those that have been here less than 3 years.

Some areas of the country have significantly high populations of H'mong. In some California counties, as many as 80 to 90 percent of H'mong refugees are on public assistance even though they have been here 4 years, 5 years or 6 years. We are working directly with those counties to try to deal with those people.

Senator SIMPSON. You mentioned the time-eligible refugees. How will the decreased level of those time-eligible refugees affect our

ability to provide English language and employment training, and thus promote early employment?

Dr. HAWKES. Well, Mr. Chairman, I think that we have in place a refugee program structure that could deal with 100,000 people a year as demonstrated by previous refugee flows. Therefore, we have an excellent structure that can deal with 70,000 admissions proposed for fiscal year 1985. We are currently looking at administrative costs for many States based on our concern for realistic program expenses that relate to the reductions in the flow and admission of refugees.

Preliminary results emanating from the Chicago project, as carried out by the voluntary agencies, shows that if an assessment is made, upon arrival of a refugee, and if they are provided immediately with appropriate services and immediately required to look for a job, refugees are able to successfully achieve self-sufficiency at a very high rate.

The North Carolina site, which involves both the Lutheran Immigration Agency and the Catholic Immigration Agency is an example of an extremely successful program. We have favorable placement sites by which we can deal with the numbers that are currently arriving.

Senator SIMPSON. Just one final question. You indicate that California's refugee welfare dependency rate is 89 percent. I misspoke earlier in the hearing; I said 93 and would correct that.

You would propose a program to help reduce that rate. Could you very briefly describe the conditions—and you have mentioned one, the Hmong tribesmen—the conditions that make public assistance so attractive, and how the proposed program would address that problem?

Dr. HAWKES. Well, Senator, there are really two problems and I can only deal with the first. We can deal with refugees that have been in the country 3 years or less. We cannot do very much in terms of the attractiveness of welfare for refugees who have been here longer than 3 years.

The situation is that refugees on welfare in the State of California also happen to have a cash assistance level that is 165 percent of the national average in terms of real dollars. The unfortunate result is that a person who is the head of a family of four, or five people, has a welfare grant that is higher than a minimum wage, entry level job. This reality discourages permanent employment.

The manner in which welfare is administered in this country prevents Government from directing a person to take a job that would otherwise give him a lower income than he can get from the welfare office.

That means that most of our refugee families in California cannot be directed under title IV of the Social Security to go look for a job or to take a job that would give them a $3.35-an-hour income.

Under the refugee cash assistance program which we are proposing for 3-year-eligible refugees, we would be able to direct refugees to take a job while providing cash assistance which would be the difference between what they can earn and what they would be eligible for under the rules of welfare.

Under these rules, rules of welfare that prevailed in the 1970's, 87 percent of refugees in 1978 were only receiving supplemental payments. At this time, refugees had outside, real income while receiving small supplemental payments.

Under the subsequent change in welfare regulations, this procedure was no longer allowed and currently it has just about been reversed. Most refugees are depending totally on welfare and there is not much outside income.

So the RCA demonstration project offers equal levels of benefits, but requires that individuals take entry level jobs.

Senator SIMPSON. That is very helpful and I appreciate that, and I do have further questions, but I must necessarily absent myself. So I think that we will take the testimony of Jim Purcell at a later time; he is still involved with the House of Representatives.

I appreciate very much, Dr. Hawkes—and I appreciate all of you there at that table who have been of immeasurable assistance to me—I really mean that—in so many ways, Al Nelson and Gene Douglas and Phil Hawkes. And, Mr. Funseth, I have not had the time to learn from you.

But in any event, it is a tough issue. It never is going to get any better. It is just like everything we do in this area in both immigration and refugee policy. These are issues that will never go away and we have to put the hard data in front of the American public and let them decide, but we cannot let it just evolve along on emotion and guilt and fear and racism, which I often say is how things either pass or fail around this curious arena.

So, thank you very much for what you do, and I respect you all. Thank you.

Dr. HAWKES. Thank you.

[The prepared statement of Dr. Hawkes follows:]

Prepared Statement of Phillip N. Hawkes

Mr. Chairman, distinguished Members of the Committee, it is again an honor to participate in this annual discussion of refugee admissions and to report on the status of the domestic refugee resettlement program.

As Director of the Office of Refugee Resettlement (ORR), I am confident that the mechanisms are in place to sufficiently provide for the immediate needs of those refugees admitted at the ceiling of 70,000 proposed by the Administration for the upcoming fiscal year. This assurance includes continuing to meet the needs, as warranted, of refugees already in the United States, particularly those who have been in this country three years or less, the period of full Federal responsibility for funding cash and medical assistance under the Refugee Act.

Our ability to accommodate the expected admission of new arrivals in FY 1985 is based on four observations of the current program:

1. The level of refugee admissions permitted in FY 1984 and proposed for FY 1985 remains virtually constant, thereby stabilizing the flow of refugees into the United States.

2. At the beginning of the new fiscal year, the number of refugees included in the three-year "time-eligible" population will decrease from previous years. At the beginning of FY 1984, the "time-eligible" population was approximately 318,000 refugees. For FY 1985, assuming 70,000 new arrivals, the "time-eligible" population will be 228,000 -- a

decrease of 90,000 which will reduce the Federal expenditures for refugees as compared to the recent past.

3. States are generally well equipped to address the needs of the new arrivals. The state-administered refugee program and service system represents the culmination of an approximately ten year period during which states -- many for the first time in recent American history -- assumed major resettlement responsibilities for hundreds of thousands of refugees, particularly Southeast Asians. Program structures were developed to accommodate high refugee flows which occurred during this period. Compared with peak flows totaling 145,000 in 1975 and 357,000 in 1980 (including 125,000 Cuban and 25,000 Haitian entrants), the proposed refugee admissions for 1985 will not be burdensome to states' existing administrative and program components.

4. A variety of Federal program initiatives, developed to increase the opportunities for refugee self-sufficiency, have been implemented this fiscal year. We expect these efforts to be a force in the successful resettlement of refugees in FY 1985 and in future years.

On this fourth point, I would like to briefly highlight activities that we have undertaken during the past year to improve a refugee's prospect for self-sufficiency and social adjustment. Some of these initiatives are new starts; others are expansions of FY 83 activities that became fully operational in FY 1984.

The Office of Refugee Resettlement remains steadfast in its commitment toward improving opportunities for refugees and entrants in securing permanent employment. Both social services and targeted

assistance funds are available for employment related services such as counseling, job placement, and vocational training. ORR has designated employment services as a high priority for social service expenditures -- over 65% of social service funds allocated to the states in FY 1983 and FY 1984 were used for this purpose.

In FY 1982, ORR provided impact aid to States experiencing the effect of the influx of Cuban and Haitian entrants. These funds permitted impacted areas to address the exceptional needs of this population. In FY 1983, $81 million was allocated as targeted assistance to local areas with high concentrations of refugees and entrants to enable these localities to address the employment needs of this population so that persistently high welfare utilization or unemployment would be reduced. The employment focus of targeted assistance is intended to deal with refugees who remained unemployed and in marginal economic circumstances because of the large flows of previous years into aresas whose normal provision of services was unable to respond adequately.

For FY 1984, additional targeted assistance funds were appropriated and these funds remain available for obligation through September 30, 1985. In order to assess the effectiveness of the program, an evaluation is currently underway which, when completed, will assist us in identifying programs which have been most effective in responding to the more difficult problems of refugee unemployment and dependency existing in major resettlement areas.

We are also enthusiastic about the outcome of demonstration projects intended to increase the number of wage earners in refugee and entrant households.

Our economic self-sufficiency thrust also includes a joint program

initiative with the National Governors' Association (NGA) and an interagency agreement with the Small Business Administration (SBA). ORR with assistance from the NGA is working with states to develop employment standards for refugee service providers which will allow us to better measure the effects of our employment services and strengthen the reliability of these services in terms of refugee needs and local employment conditions.

An interagency agreement with the Small Business Administration (SBA) will provide $400,000 of technical assistance funds to organizations which will focus on refugee business development in 10 major refugee centers in the country. This agreement gives ORR the opportunity to leverage its resources to secure recognition for refugees as important clients of mainstream Federal agencies who mission is to stimulate economic opportunities for special populations.

The health status of arriving refugees can have a profound bearing on their ability to function independently once they arrive in this country. The refugee health program is critical in protecting the health of American citizens as well as ensuring the physical well-being of the refugee.

During FY 1984, several measures were taken to strengthen the overseas medical screening program and to improve domestic follow-up. Examples include the following:

o ODP refugees with active tuberculosis are reciving treatment at the Philippine Refugee Processing Center prior to departure for the United States.

o Overseas screening activities for hepatitis B surface antigen among pregnant females and unaccompanied minors were revised and augmented.

o Medical and dental services for refugees were expanded at the Philippine Refugee Processing Center.

o Special initiatives were begun in areas such as mental health and health education.

o A cardiopulmonary resuscitation instructor training program was instituted for Laotian/Hmong refugees in order to assist in preventing deaths from Sudden Unexplained Death Syndrome.

Throughout FY 1983 and 1984, ORR in conjunction with the Department of State continued to work closely with State and local officials and resettlement agencies in the identification of geographic areas throughout the country where employment opportunities coupled with a strong local economic base would make it possible for early self-sufficiency of resettled refugees. ORR has developed a three-pronged strategy in response to the problem of refugee resettlement into communities least able to provide for the employment and social needs of refugees:

First, the Favorable Alternative Sites Program (FASP) is an on-going effort designed to identify resettlement sites, primarily for new arrivals, which are suitable alternatives to communities with unfavorable conditions. Second, grants are being awarded under a Planned Secondary Resettlement Program (PSR) directed to previously settled refugee groups who have found themselves in the grip of high welfare dependence and with difficult to non-existent chances for pursing a satisfactory livelihoodas a result of local conditions. The goal of this program equals the goal of the FASP program -- to develop alternative resettlement sites where refugees can establish themselves as contributing members of the local community.

Third, the Office of Refugee Resettlement prepared a proposed regulation which appeared for public comment in the December 1983 Federal Register that would establish definitions and procedures for deterring future placements of free case refugees in highly impacted communities already incurring a disproportionate number of resettlements. ORR has consulted extensively on this proposal with the voluntary sector and State and local governments and is considering their views.

Successful refugee resettlement, of course, cannot be fully realized without the development and encouragement of effective refugee leadership and organization. In FY 1983, we provided an incentive to states to assist us with this objective by making available funds for those willing to commit some refugee program funds to refugee self-help organizations, usually known as Mutual Assistance Associations (MAAs), as service providers. In FY 1984, we have continued this initiative by making available special grants to states with the condition that such funds support the development and service activities of MAAs. ORR is also in the process of awarding grants to a number of states for providing enhanced training as a means for further increasing involvement of refugee organizations in the program. I expect this to be a high priority in FY 1985 as well.

Now I would like to turn your attention to what has become the single most important indicator of the overall success of the refugee program -- the national welfare dependency rate for refugees on cash or medical assistance.

The special initiatives that I have just outlined, combined with ongoing program efforts, are implemented with the single intent of enabling refugees to achieve economic self-sufficiency in the shortest

time possible. The efforts of the recent past have proven effective. In 1981, the dependency rate of refugees who had been in the U.S. less than three years was at a national high of 67%. As of March 1984, the dependency rate has somewhat stabilized at 53% compared to 54% in September 1983.

Referring to a single figure as the national dependency rate is misleading because there are states with refugee dependency rates of less than 6% and one with a dependency rate near 90%. Further, there are 30 states with refugee dependency rates of less than 29%. A major factor which skews the national dependency rate is California which currently has a state welfare dependency rate of 89% including SSI beneficiaries.

The national dependency rate has remained relatively constant over the past three years despite our attempts to work around it through special program initiatives, such as FASP, PSR, and now targeted assistance. Central to the problem, of course, is the fact that California has an AFDC (welfare) grant level 65% higher than the national average.

Until recently, the prospects of reversing the extraordinary dependency of refugees on welfare in the State of California were minimal. Once refugees are on the AFDC program, they are outside the effective control of the Refugee Act and thus of ORR.

To encourage refugee self-sufficiency and to reduce welfare dependence, ORR plans to fund in FY 1985 demonstration projects which offer promising alternatives to current refugee cash and medical assistance strategies. Contingent upon passage of Section 4(c) of H.R. 3729 as reported from the Senate Judiciary Committee, California's Health and Welfare Agency has agreed to pursue a state-wide demonstration

project for refugees in which Refugee Cash Assistance (RCA) would be the program of first resort for refugees including those who would otherwise qualify for AFDC or AFDC-UP. If this should occur, it would allow the Federal government to develop rules under the authority of the Refugee Act to impose requirements of job training and English language as a condition for receiving benefits.

Of the various means by which the demonstration might be funded (without an additional appropriation of funds), the new demonstration authority included in the Refugee Act reauthorization bill approved by the House and currently pending action in the Senate is critical to the implementation of this demonstration. The amendment provides the Secretary of HHS with the authority to develop demonstration projects that will reduce welfare dependency of refugees. As modified in the Senate Judiciary Committee bill, it also permits the use of Medicaid and AFDC funds in support of such demonstration projects for refugees who would otherwise be AFDC/Medicaid recipients.

Likewise, the process of facilitating communication between Federal, State, and local officials and service providers, in addition to the refugee leadership, on the progress and problems of implementing the refugee resettlement program will ensure that appropriate responses are developed according to the real needs of the refugee population. In FY 1984, ORR continued to emphasize consultation among all parties concerned with refugee resettlement by hosting four regional consultation meetings in Atlanta, Denver, Philadelphia, and San Francisco. This consultation process was extremely successful in terms of incorporating the interests and concerns of over 800 participants. Valuable program recommendations were made and ORR is currently in the process of summarizing these and our responses into a final document for distribution to all participants including the refugee network.

In summary, Mr. Chairman, I am confident that the refugee program will be more than able to attend to the needs of the anticipated arrivals in FY 1985 in addition to our on-going responsibilities to those "time-eligible" refugees.

I appreciate the opportunity to testify before you on the status of the refugee resettlement program. I would be happy to answer questions at this time.

Ambassador DOUGLAS. Thank you, Senator.

Senator SIMPSON. And I thank the staff—Mr. Dick Day, Tina, all of you; Jerry Tinker, Betsy, Carl, thank you.

That concludes the hearing.

[Whereupon, at 12:21 p.m., the subcommittee was adjourned.]

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